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H.R. 1504—A BILL TO AMEND THE VETERANS' JOB TRAINING ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON
EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

MARCH 18, 1987

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H.R. 1504—A BILL TO AMEND THE VETERANS' JOB TRAINING ACT

WEDNESDAY, MARCH 18, 1987

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:30 a.m., in room 334, Cannon House Office Building, Hon. Wayne Dowdy (chairman of the subcommittee) presiding.

Present: Representatives Dowdy, Evans, Kaptur, Kennedy, Patterson, Jontz, Smith of New Jersey, and Dornan.

OPENING STATEMENT OF CHAIRMAN DOWDY

Mr. DOWDY. Good morning and welcome.

The Subcommittee on Education, Training and Employment is today reviewing H.R. 1504, a bill to extend and authorize additional funding for the Veterans' Job Training Act, VJTA. This bill is cosponsored by the chairman of our full committee, the Honorable G.V. (Sonny) Montgomery, and the ranking minority member of the full committee, the Honorable Jerry Solomon, who was one of the original architects of VJTA, and all members of our subcommittee.

Let me say here that Jerry Solomon, our colleague from New York, is and remains very interested in our proceedings this morning. Mr. Solomon notified me that he had a crucial markup in the other committee on which he serves, the Foreign Relations Committee, and he could not miss that very important markup. He would have been here, were it not for that, and hopes to come by as soon as that markup is completed.

Under VJTA, incentives, in the form of payments to defray the costs of training, are provided to employers to hire and train veterans of the Vietnam-era and Korean conflict. The U.S. Government will reimburse an employer 50 percent of a participating veteran's starting wage, up to $10,000 per veteran. Payments may be made on behalf of a service-connected disabled veteran for up to 15 months, and up to 9 months for a nondisabled veteran.

The Veterans' Job Training Act was enacted in 1983, under the leadership of then subcommittee chairman, Mr. Leath of Texas, and the ranking member at that time, Mr. Solomon of New York, and it was done in response to the severe employment difficulties experienced by Vietnam-era and Korean conflict veterans. The re-

cession and fundamental structural changes in the American economy exacerbated pre-existing employment problems and contributed to the highest unemployment rate ever recorded for these veterans. As the economy improved, many veterans were able to reestablish themselves in the work force. Too many others, however, as shown by recent Bureau of Labor Statistics reports, are still unemployed. In December, 1986, over 350,000 Vietnam-era veterans were out of work.

VJTA has proven to be effective and widely accepted by both veterans and employers. As of March 9, 1987, over 468,000 veteran applications had been certified and recertified for participation in this training progam, and nearly 71,000 employers had been approved to provide 167,000 job slots. Most important, over 47,000 veterans have been placed in jobs. This is a good record and the program has assisted a great many veterans in their efforts to get off the unemployment rolls and into productive jobs.

Under current law, a veteran must apply for participation in VJTA by July 1, 1987, and must be on the job by January 2, 1988. H.R. 1504 would extend these dates to allow a veteran to apply through September 30, 1989, and begin training by March 30, 1990. Additionally, this measure would authorize an additional $30 million for fiscal year 1987, $60 million for fiscal year 1988, and $60 million for fiscal year 1989. All funds would be available through September 30, 1991. The budget recently adopted by the full committee authorized funding for VJTA at these levels.

Because of the effectiveness of the program, appropriated funds are nearly fully committed. I have written the chairman of the Appropriations Subcommittee on HUD and Independent Agencies, urging that the authorized $30 million for this fiscal year be swiftly appropriated.

Clearly, the Veterans' Job Training Act has proven to be a good program that deserves to be extended and fully funded. As good as it is, however, there are some areas that concern us and could perhaps be improved. We look forward to hearing the views of our witnesses regarding the program, as well as their recommendations regarding some possible changes that could maximize the effectiveness of VJTA.

We have a number of witnesses with us today. Accordingly, I request that all witnesses, if possible, limit their oral testimony to 5 minutes. I also request that witnesses respond in writing to questions members of the subcommittee may choose to submit to you subsequent to the hearing today. These questions and answers will be included in the printed hearing record, as well as your oral answers to questions propounded this morning.

I want to recognize the ranking minority member of the subcommittee, the distinguished gentleman from New Jersey, my colleague and friend, Mr. Chris Smith.

OPENING STATEMENT OF HON. CHRISTOPHER H. SMITH

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

I first of all want to commend you for calling this hearing on H.R. 1504 and for scheduling the markup of the bill by this sub-

committee for March 26. The bill should have and is receiving expeditious treatment, along with its bipartisan support.

Mr. Chairman, I believe we're off to a very strong start by your recent introduction of this legislation to extend and to provide funding for the Veterans' Job Training Act, and as ranking minority member of the subcommittee, I am most pleased to be an original cosponsor. It is a privilege to be a part of the effort to continue a program which was originally authored by Mr. Leath and Mr. Solomon when they were on this subcommittee. I would like to associate myself with your remarks. We have a distinguished group of witnesses, as you have indicated, this morning, and I join in giving them a very warm welcome.

Mr. Chairman, you have already discussed the specifics of this legislation, so I want to focus for a moment on two things that I would hope the continuation of this excellent program can accomplish.

First of all, the hardcore of the unemployed Korean and Vietnam-era veterans has not yet been fully reached and helped nearly to the extent they should be. Some of our witnesses will discuss the hardcore unemployment problem more in their statements.

Second, the assistance provided to the service-connected disabled veterans has not been nearly as effective as it should be. Some of our witnesses will speak to this need as well. I want to explore these two areas more with our witnesses and I look forward to their statements and to their responses to the questions that we will be asking them.

Mr. DOWDY. Thank you very much, Mr. Smith.

We will call on another subcommittee member who has been very active in the Veterans' Affairs Committee, Jim Jontz from Indiana.

Mr. JONTZ. Thank you very much, Mr. Chairman. I am pleased to be a cosponsor of this bill and I'm looking forward to hearing the witnesses today.

Thank you.

Mr. DOWDY. Our first panel this morning includes two gentlemen who are VJTA employers, Mr. Mark Moseley, President, Mark Moseley's Travel. I'm sure that you all recognize Mr. Moseley as a former kicker with the Redskins, now with the Cleveland Browns. Mr. Moseley is accompanied by Mr. Paul Lieberman and Mr. Jack Clark. Mr. Lieberman was hired by Mr. Moseley to help him implement VJTA, and Mr. Clark was hired by Mr. Moseley under the program. Also on the panel is Mr. Jack Radtke, President of Urban Revitalization America, Inc., who is a leading VJTA employer.

Before we begin with this panel, included in today's hearing record will be a letter which I personally received from the McDonnell-Douglas Corporation, one of the major VJTA employers, expressing strong support for the continuation of the program. Without objection, the hearing record will remain open for 2 weeks to include any such other additional material.

[The McDonnell-Douglas Corp. letter appears at p. 99.]

Mr. DOWDY. We welcome the first panel, Mr. Moseley, Mr. Rasdtke, and the others that I introduced. Mr. Moseley, if you would, we would ask that you proceed at this time.

STATEMENTS OF MARK D. MOSELEY, PRESIDENT, MARK MOSELEY'S TRAVEL, ACCOMPANIED BY PAUL LIEBERMAN, DIRECTOR OF SPECIAL SERVICES; JOHN P. CLARK, OFFICE OF SPECIAL SERVICES; EILEEN M. FRY, GENERAL MANAGER, MARK MOSELEY'S TRAVEL; AND JACK RADTKE, PRESIDENT, URBAN REVITALIZATION AMERICA, INC.

STATEMENT OF MARK D. MOSELEY

Mr. MOSELEY. Okay. Thank you, sir.

Mr. Chairman and members of the subcommittee, my name is Mark Moseley and I am the President of Mark Moseley Enterprises, Inc., which owns and operates Mark Moseley's Travel. I am here to testify in support of H.R. 1504, a bill to extend the Veterans' Job Training Act.

I am speaking to you this morning from my own experience as an employer. I have with me this morning two of my employees who are veterans of the Vietnam war. Mr. Paul Lieberman, the gentleman sitting at the end, was hired by my firm to come in and implement the job training program within my organization 2½ years ago, and has since done so. Mr. Jack Clark, who is sitting beside me here, has been with my firm almost 1 year and has done an outstanding job in the sales department of my company. He was hired under the job training program. He is also the president of the local chapter of the Vietnam Veterans of America in the Fairfax area.

Our agency has hired four other veterans under the Veterans' Job Training Act. One moved on to another career after completing the training; another had to resign to devote full time to her family; one relocated to another State; and a fourth, of whom I will talk about a little bit later, resigned because of service-related medical problems.

Like many employers of my generation, I have a special admiration for our Vietnam vets, both for the experiences that they survived in this country's most unpopular war, and the contributions they continue to make in the workplace and in our communities since their return. I have found veterans to be very dedicated, hard-working individuals, who seem to respond to tough situations in a very positive manner.

I believe that the employment of these individuals is a very essential part of their readjustment process and is as important as the medical and psychological assistance that they receive, if the veterans are to be fully reintegrated into our society. I believe that veterans want only a helping hand and not a handout. I believe many of these men are desperately in need of help as of today, even after all these years, and that job training will enable them to be self-sufficient persons again. Many of them are striving to be whole persons.

Also like many employers, I would be pleased to have the opportunity to hire more veterans under the Veterans Job Training Program. From my experience, however, the program and, more importantly, veterans who might benefit from it, have suffered from a number of administrative problems that have made it overly difficult for employers to participate in this program.

For example, when Mr. Clark was hired by my company, it took over 90 days from the time of his application to the Veterans' Administration to the time of his certification. Fortunately for both of us, we could wait until the certification, but that's not the case in a majority of the instances. Ninety days is much too long a time to wait, both for the veteran who needs a job and for the employer, who is in the process of filling a need within his operation.

Moreover, I have been informed by the Virginia Employment Commission that, although the program continues through July of 1988, funds are currently unavailable. I understand that, as a result, a number of veterans who applied for certification as long ago as January, with approved training jobs in hand, could not be hired under the program. Meanwhile, a number of employers in the Washington area have expressed a firm commitment to hire veterans under this program but have been unable to do so due to the lack of funds.

As an employer, I have seen the difficulties created by the job training program that is not integrated with other assistance programs. In the case I alluded to earlier, a valued employee, a double amputee, had to resign his training job with our agency because of the difficulty he had in getting from the Veterans' Administration artificial legs that fit him properly.

This is only one example of how the Veterans' Job Training Act has been poorly administered. In order to work, a job training program must be part of a well-conceived effort to help the whole person. Potential trainees should receive pre-employment counseling to determine the kind of jobs they are most suited for. During their training, this counseling should continue so that if the job proves to be unsuitable, other training opportunities can be pursued. For some period of time after training has been completed, follow-up studies should be done to quantify success or failure of the program, so that others entering the program can benefit from the improvements that may be deemed possible.

The delays in certification approval and the uncertainty of funding availability do a disservice to the employee and the employer. In the past, our agency explored the possibilities of establishing an ongoing travel agent trainee program in cooperation with several major airlines. This effort was abandoned, in part, because we could not predict that funding would be available over the expected life of the program to justify the time and money required to put the program in place. However, if we could be certain that funds under the Veterans' Job Training Act would continue until a certain expiration date established by Congress, we would be eager to develop a training program, using our own offices and computers after normal work hours, so that veterans currently underemployed, as well as those unemployed, could prepare for a career in the travel industry.

So you see, gentlemen, the opportunity for these veterans is there. All we have to do is continue to let it flow.

I appreciate the opportunity you have given me this morning to share my experiences with the Veterans Job Training Program, and my hopes for its continuation. I do trust, however, that those of you on this subcommittee share my admiration for our Vietnam vets, and that you are willing to demonstrate that Abraham Lin-

coln's commitment of this Nation to care for its veterans continues by your vote to extend the Job Training Program.

Thank you.

[The prepared statement of Mark Moseley appears at p. 59.]

Mr. DOWDY. Thank you, Mr. Moseley.

We would ask that, after we hear from Mr. Radtke, that we be allowed to talk with you further, and also to Mr. Lieberman and Mr. Clark, regarding the matters that you have raised in your statement.

Mr. MOSELEY. Yes, sir.

Mr. DOWDY. Mr. Radtke, we appreciate your attendance and would ask for your statement at this time, please.

STATEMENT OF JACK RADTKE

Mr. RADTKE. Thank you.

Mr. Chairman, it is my pleasure this morning to appear before the Subcommittee on Education, Training and Employment of the House Veterans' Affairs Committee to discuss our initiatives and the proposed amendments to the Veterans' Job Training Act, outlined in H.R. 1504.

Urban Revitalization America, Inc. was founded 11 years ago to develop joint venture residential rehabilitation community revitalization projects linking the U.S. Department of Labor, the Veterans' Administration, the Department of Housing and Urban Development, along with a growing number of concerned and committed representatives of the private sector. In addition to those sources, contributing to our newly invigorated structure of our future programs will be diverse community organizations, local and nationally recognized realty firms, city and State governments, and prominent home improvement companies from throughout the Nation.

We believe, Mr. Chairman, that our projects, which have combined these very unique features, have succeeded in providing affordable housing, a catalyst for future economic community development, and a viable work force, retrained as experts in residential rehabilitation with sufficient skills to ensure long-term employment opportunities.

Over the past decade, URI has completed over 10,000 residential rehabilitation projects in the center cities of Detroit, Pittsburgh and Nashville, and the more rural areas of Monroe, MI and Lowell, MA. In providing job training skills to nearly a thousand men and women, URI has completed structural renovations on both single and multi-family homes, schools and community centers for our youth and the elderly. In the course of our projects, URI has provided training in a whole range of skill areas to guarantee that individual the best opportunity to utilize their abilities in a permanent position in the work force.

We are proud, Mr. Chairman, that our program has continually created the most cooperative working environments between local governments, citizen groups, corporations and labor and union representatives, ensuring an exceedingly high placement rate of our trainee graduates. URI records from follow-up studies indicate that during our decade-long experience throughout the country, nearly

90 percent of our graduates were placed and are working in full-time positions after completing our training program.

The accomplishments of this program would not have been possible without the generous assistance of the Veterans' Administration and the Department of Labor training dollars. In our 15 projects, Urban Revitalization has been the recipient of considerable assistance through the Veterans' Job Training Act and the Comprehensive Employment Training Act, now restructured into JPTA. These funds have been indispensible in providing the retraining for hundreds of displaced veterans in the work force who might not have been particularly well-suited by skill or temperament for work in the vogue "high tech" areas, but are very motivated and dependable for their commitment to work in the areas of housing rehabilitation and energy conservation. After our lengthy training effort, which includes screening, testing, and instruction, both in the classroom and on the job, the veteran has received both the theory and the experience to begin work as a general rehabilitation contractor, supervisor of construction crews, a specific trade apprentice, or product salespeople.

In addition, it is worth emphasizing to the committee that these very critical funds have aided URI in yet another fashion: leveraging the very important financial assistance in both an in-kind and cash contribution mode from the numerous corporations who have supported our efforts. The commitment of substantial Federal funds for job training, reflection of our Nation's interest in putting our veterans back to work, provides an important message to businesses throughout the country about the importance of aiding these endeavors. Urban Revitalization has been fortunate to receive assistance from such corporations as General Motors, Dayton-Hudson, Dow Chemical, Johns Manville, and Alcoa, to name just a few who have helped sustain the project. Most recently we have been discussing expansion of these efforts on a national basis with the Meredith Corporation, Carrington Financial, and the Wickes companies. Also, these projects will now be paying the people between $8 and $22 an hour. So it is far above the average.

In short, Mr. Chairman, and members of the committee, these funds have been absolutely essential in the development of our program and the participation of the private sector in its growth. Urban Revitalization enthusiastically endorses the extension outlined in H.R. 1504, and the additional $150 million recommended for fiscal years 1987, 1988, and 1989 for the Veterans' Job Training Act.

In summarizing, Mr. Chairman, let me note what a pleasure it has been, for both URI and those from the corporate and nonprofit community who have supported these projects, to work with the Veterans' Administration and our Nation's veterans in this effort. As Americans, we have too often come to expect that the defense of our country comes with almost no price to pay. This country's veterans have given valiantly with their lives, their health, their families and their own careers, in wars all too tragic for us to want to recall, and most recently, in Vietnam, far too difficult to explain or defend. In each instance, they have served their responsibility to defend our ideals, often to return to a country too preoccupied with

our own concerns to provide them with the ability to make an orderly and healthy transition back into the mainstream of society.

Fortunately, some of us are able to make even the most limited contributions in that direction. We strongly believe that if our Government has the power to send our men and women off to war, we can assuredly find the time and resources to put them back to work. I appreciate this unique opportunity to address our program and this very fundamental issue of veterans job training before the subcommittee, and would be pleased to answer any questions that may assist the committee in their consideration of the legislation and the amendments that have been proposed.

[The prepared statement of Jack Radtke appears at p. 61.]

Mr. DOWDY. Thank you very much, Mr. Radtke, and Mr. Moseley, for your statements, and for your participation in the program.

Mr. Moseley, let me ask a question, and either you or Mr. Lieberman can respond to it. You have raised in your statement a lack of supportive services for the veterans and employees under the VJTA, and you cited a very distressing and saddening incident involving the double amputee.

Can you tell me if either your company or your veteran employees were contacted by the Department of Labor or the VA during the initial months of these veterans' employment? Were you told that counseling services were availble, and were you given the names of anyone within those agencies to contact in the event of difficulties such as that that you have talked about with the double amputee?

Mr. MOSELEY. Mr. Congressman, I'm going to let Paul answer this question. I also have with me today my general manager, Miss Eileen Fry, who is involved with the company more on a daily basis than I am at times, so on some of these questions, if it would be all right with you, sir, I would like to ask her to come up and maybe help us with some of the answers.

Mr. LIEBERMAN. As far as being contacted by anyone from the VA during any of the program of the first four people, we were contacted only once, and that was after the last two people had finished. They came in and were looking for training records that I didn't know I was supposed to keep. They showed me what I was supposed to do and I got everything in order. That was the only visit that——

Mr. DOWDY. And when was this contact made?

Mr. LIEBERMAN. This was after the first four people had completed—well, we had two that completed and two that didn't. One was Doug, the first one, the double amputee. He was working with the VA by himself, trying to get the legs fitting properly. To this day, he still doesn't have one of the legs that fits completely right.

So the only contact we had was really to clean up the paperwork involved. And this was after it was all over, after the fact.

Mr. DOWDY. In your statement, Mr. Moseley, you said it took 90 days for certification participation for Mr. Clark. According to the VA regulations, the process should take no longer than 10 working days.

In the instance of Mr. Clark, in this delay of more than 90 days, what reasons were given for the delay in certification, and did you experience any difficulty being certified as an employer?

Mr. MOSELEY. Go ahead, John.

Mr. CLARK. Mr. Chairman, I contacted, through the Virginia Employment Service, the VA personnel who were handling my case and others, out of the northern Virginia area. And my case was not atypical. There was one man who was processing all of the certifications, and he was so overloaded with work that he simply couldn't move the paperwork any faster.

In many cases veterans had the jobs and were ready to go, and the employers were ready to hire. And yet, because of the delays in certification, the employer said "I have to fill that job" and the employee said "I have to move on and find another job."

Mr. DOWDY. I am going to allow the other members to pursue this further, but let me ask you a question, Mr. Clark, on the program generally.

Assuming that the program is extended and adequately funded, what would you—or perhaps Mr. Moseley or Mr. Lieberman—what would you recommend in terms of changes so that the program to be more beneficial to your company and to the veteran employees and to other employers? What changes need to be made?

Mr. MOSELEY. Well, as an employer, Mr. Chairman, I would feel the number one thing is that things need to be better explained to the employer, as to what needs to be done or what they can do, and what is out there for us to use. As Mr. Lieberman was stating here earlier, he was not told to fill out any of the paperwork until after the fact. I think this has to be done beforehand. I think there needs to be some pre-education, I guess you might say, of the employer before the hiring, and at the same time I think there needs to be an ongoing relationship between the employer, the Veterans' Administration, the job training program, and the individuals concerned. I think this needs to be ongoing all the way through the program.

As I said in my statement, I feel there needs to be a follow-up at the end so that some of the goods and the bads that happen during this can be brought to the front and can better improve the program. I think if we don't learn from our mistakes, then we're kidding ourselves anyway, that the program is going to go down the tube. So I think we need to continue to improve the program so that it will get nothing but better. In that way, the guys that come on later on will benefit from that.

Mr. DOWDY. I see that my time has expired.

Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

Mr. Moseley, Mr. Radtke, and other members of the panel, thank you for your testimony.

Mr. Moseley, you seem to have had very good luck with the veterans that have been referred to you. Were there any veterans that you did not hire because you just felt they couldn't cut the mustard?

Mr. MOSELEY. We did interview a couple. We try to give them the benefit of the doubt in most instances and at least hire them, take them on, and try to train them and see if there's a possibility of them working out. I don't know, but Paul can probably better testify to that than I can.

Mr. SMITH OF NEW JERSEY. You tend to bend over backwards to try to accomodate them?

Mr. MOSELEY. Yes, sir. That's been our policy.

Mr. LIEBERMAN. In fact, one of them that we had was allergic to smoking, so I had to call the VA and write a letter so he could be trained in one of our satellite offices, a nonsmoking office. The VA has been very cooperative in any changes we wanted to bring about. I haven't turned down anyone who came to us. Most of the people came through—the five that we had—came through the Virginia Employment Service, and we hired every one of them.

Mr. SMITH OF NEW JERSEY. I would just commend the panel again and thank you for your comments. We certainly are going to move as quickly as we can on this committee, as I indicated in my opening remarks, to mark up this bill and hopefully to see that it's adequately funded through the appropriations process. Because I think it certainly has worked and has demonstrated its validity as a very viable program within the VA arsenal of programs.

One final question, Mr. Moseley. Are other travel agencies pursuing this? Is it something the travel industry has picked up on, or is it just you, yourself, that have seen the opportunity here?

Mr. MOSELEY. Well, it was just an opportunity that I saw. Actually, it was brought to me a couple of years back. My general manager and myself discussed it a number of times because finding good travel agents is not the easiest job right now, especially today with the competition like it is. We felt that the veterans, because of the things they had been through, could handle it. It's a high-pressure job because you're working with individuals, and you're having to organize plans for trips. A lot of my business is corporate travel, so we're dealing with a lot of VIPs. They put a lot of pressure on you to make sure that you don't make mistakes. We felt like this might give our veterans an opportunity to come in and perform, where they have performed before under pressure, and be able to handle these things. That was where the idea came from.

As far as other agencies, I do not believe there are any other agencies in the area right now that are doing this. I would hope that in the future they will consider this.

We did go so far as to approach the airlines and to try to implement a program, as I explained in my statement, which I feel would be a very lucrative program for both the employer and the employees, because it could generate a number of jobs for the veterans.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. DOWDY. Thank you, Mr. Smith.

Mr. Jontz.

Mr. JONTZ. Thank you, Mr. Chairman.

I would like to ask both Mr. Moseley and Mr. Radtke a question—and this is for my own edification. Can you tell me who it was that you dealt with from the VA—and I don't mean the name of the person—but can you describe for me who it was that you dealt with in the VA to participate in the program?

Mr. MOSELEY. Miss Fry can probably answer that. Do you remember who it was?

Ms. FRY. As far as the name, no. We had no pre-counseling, as far as the program was concerned. We filled out the paperwork and mailed it in, and then——

Mr. DOWDY. Miss Fry, why don't you come to the witness table. There's another chair there for you.

Mr. JONTZ. You were involved with the mail——

Ms. FRY. Yes, sir.

Mr. JONTZ. There was never a person whose name that you knew?

Ms. FRY. No, sir. We filled out the paperwork, it went through the mail, and then they contacted Paul because he was the program coordinator. As far as pre- and post-counseling, no, there has not been.

Mr. MOSELEY. Did you want to say something, Paul?

Mr. LIEBERMAN. Yes. I got all the paperwork through the mail. I personally walked it through the VA regional office down here. I don't know the name of—I think it's the Office of Education. All I know is it was the people working on the Veterans' Job Training Act. I walked it through. It took us 2 days to get approved with our program.

Mr. JONTZ. In the VA regional office, which in your case is located——

Mr. LIEBERMAN. In the District.

Mr. JONTZ [Continuing]. In D.C.

Mr. LIEBERMAN. Right.

Mr. JONTZ. Mr. Radtke, who did you deal with?

Mr. RADTKE. I dealt with Mr. Robert Thomas of the Detroit office, who was extremely supportive. We were looking to hire a lot of people, and because of the pay scale that we're involved in, they were most enthusiastic. In fact, he held a seminar for us at the McNamara building and he came up with a couple of hundred people that we could have selected.

We are currently looking to hire another 1,200 people nationally for the joint venture with Wickes, General Motors, and Better Homes and Gardens. He has been assembling that group of people.

Having had some experience with CETA years ago, I sort of knew what was expected with reportng and recordkeeping and so on, so we've had no problem. But he went so far as to set up interview space, and since we were dealing out of his physical area—technically, we were working between Monroe and Toledo. He was very supportive in finding people from that more rural area.

Mr. JONTZ. Let me ask a second question, if I might, again to both employers.

Tell me about the training component of the program; that is to say, what did the VA tell you that you had to do as part of the training for this program?

Mr. RADTKE. Well, in my case, I gave them an entire curriculum, which covered 40 weeks. That listed the electrical repair, the plumbing repair, plastering, whatever it takes to rebuild an existing community or group of houses. We have hired them to be part of the remodeling of a Nike base, which was in Monroe, and to be used on projects which we're developing for downtown Toledo.

But I have gone through the entire curriculum, including the tests for each component that we give. We also make sure that the

people are licensed as general contractors in the appropriate State, licensed in real estate sales, so that they can go on with this career. At this point we figured, with the constituency that we had, it was more important to get them State certification than would be a high school diploma or something like that, because of the age of the group. So out of ours, probably 90 percent are licensed people when they finish the training component.

But it was quite an extensive package. They did monitor—not a whole lot—but they monitored. They also interviewed a lot of the people. We were very fortunate to have a lot of TV coverage and a lot of press, so with that, they were always appraised. The people in the Chicago office—I believe it's Mr. Solicoff—was very supportive in developing this in future projects.

Mr. JONTZ. Let me ask Mark Moseley's Travel, what sort of training component did the VA ask you to provide?

Ms. FRY. We are a computer-based industry, as it stands now, and it takes specific formats in order to call the information up. We provided the Veterans' Administration with a training syllabus as far as that was concerned.

There are a lot of facets in this particular business, and it depends on what type of person we receive as into what facet they were going to fit into. Because the military is trained in logistics—and travel becomes a game of logistics, especially these days—we found their response was very interesting to the people and how they could handle them. We did start the program in other travel agencies—not in the Metro Washington area, but across the U.S. There is one very successful group in Atlanta.

Mr. JONTZ. Thank you.

Mr. DOWDY. Thank you, Mr. Jontz.

Liz Patterson, our colleague from South Carolina.

Mrs. PATTERSON. Thank you, Mr. Chairman. I have read the statements and listened to the questions.

Mr. Clark, I wonder if you would tell me if this program really made a difference in your life and do you think you would have been able to find a job without it?

Mr. CLARK. Speaking personally, I think I would have, but this certainly helped with some personal readjustment problems. I dropped out of the work force for a while, I did some writing, and I needed a transition back into the workplace. I also sought out some psychological counseling, much of which related to the Vietnam experience. Because I happened to have had a number of friends who are Vietnam veterans, and I joined the local Vietnam veterans chapter, I was able to integrate the two experiences. Without that support group, I don't think I would have been able to integrate those two experiences, nor would my transition back into the work force been as smooth.

Mrs. PATTERSON. If I may ask Mr. Radtke a question--I think you sort of alluded to it a minute ago when you said you had dealt with the CETA program. Do you see any differences in the efficiency and the effectiveness of this program and other similar programs that you may have dealt with?

Mr. RADTKE. It's much better. I have dealt with CETA in many States, and I would prefer this any time. The people are much more supportive, much more creative, than CETA had ever been.

The constituency, the base that we had to pick from, was far superior. I had been involved in the welfare reform demonstration projects, and my CETA numbers are like 80 percent of placement. So I have a very good CETA relationship.

However, I think this is far superior, the way in my case it was handled, because I discussed with the VA the type of people that we would be looking for and the type of testing that would be required, and they came up with the people. When we had certain problems, they were there to address them. We have a numbers problem, trying to get enough people to start at a certain date, and also we have back numbers to fill in. The system that this had was much more creative. I would recommend it highly for any employer who has not looked into it, definitely.

In fact, last week I met with the chairman of a national chain of drug stores and auto work stores, Jack Robinson. It is the Perry drug chain, which I think are located in 11 or 12 States. They are now going to work with us on this project. So the people who interview with us, are given long, extensive interviews. We have three different counselors talk to each person because we feel it's a long-term commitment to work with our companies. If they want to do this work, it's great work; but if you do not want to, it is the worst job in the world. When you're investing the rest of your life, or a good portion of it, to a new career, you had best know what you're getting into.

Now, when people go through our extensive testing, and if this is not for them but is a very intensive work career, and they would like something more along the retail lines, then we're going to direct them to these other companies who will again pick up out of the same group, because we have been very successful.

Mrs. PATTERSON. I appreciate that. I think at a time when we're all looking at ways to spend our dollars wisely, we certainly want a program that is efficient. I appreciate your words. Thank you.

Mr. Chairman, that's all at this time.

Mr. DOWDY. Thank you, Miss Patterson.

Next, a subcommittee chairman, who also is a member of our subcommittee, Marcy Kaptur of Ohio.

Ms. KAPTUR. Thank you, Mr. Chairman. It's a wonderful opportunity to listen to all of you.

I wanted to officially, for the record, state the experience of our State in the Veterans' Job Training Program. I am somewhat concerned because for over a year's period of time, from October of 1985 to October of 1986, in my own home community, we had about five placements per month, which to me seems to be a very low level, in view of the number that have signed up in our State as a whole.

There were 31,385 veterans who applied to the Veterans' Jobs Training Program, and of that number, 25,822 have been certified. Of that number, only 2,121 job matches have occurred, for a total expenditure of $8.5 million. And according to the national records, this makes Ohio the fifth in the Nation in terms of placement record. And when it boils down to my own home community of Toledo, is that 60 agreements were signed between veterans and employers between October, 1985 and October, 1986. So I guess my

basic concern is that the numbers of placements are so small relative to the number of applicants.

One of my first questions this morning to the witness is, following up on what Mr. Jontz asked—where did you first learn of the program? It sounds like you worked through the mails, Mr. Lieberman, and the young woman that you've brought with you as well testified as to how you did everything sort of second-handed. How did you first learn of the program? We have many more applicants than employers willing to work with our veterans. I would ask that of Mr. Moseley as well.

Mr. MOSELEY. Okay. Actually, the program was brought to my attention by my manager, Miss Fry. I think she can probably best answer this.

Ms. KAPTUR. All right. How did you find out about the program?

Ms. FRY. I read about it in the newspaper, and then Paul filled me in on the details.

Ms. KAPTUR. In the newspaper.

Ms. FRY. Yes.

Ms. KAPTUR. Mr. Radtke, how about you?

Mr. RADTKE. The same. I read a blurb in the newspaper about this new type of program that would be available. I think it's the most underpublicized program that I've ever heard of.

Ms. KAPTUR. Absolutely. I don't know what we can do about that, Mr. Chairman, but we always seem to run into this problem.

Mr. RADTKE. In fact, the "PM Magazine" stations did a series on this project for national distribution. The Toledo stations had been out, and we had a lot of press in the Blade, because of being a border between Monroe, where we were working. The "PM Magaine" people were very enthusiastic and they claimed they knew nothing about it. And they devoted about 20 minutes to it.

Ms. KAPTUR. We mailed to our business community, when the program first started, through our office, and then the VA sent out forms when they would express an interest. The first set of forms, if you remember, Mr. Chairman, scared people to death. So then they didn't want to apply to the program. We tried to alter the forms, and I don't know whether the new ones appeal very much to people like yourself or not, but I would be real interested in your comments on that paperwork.

Ms. FRY. Paperwork will scare you to death. It's written by volume, not by interest.

I think Mr. Radtke's point, as far as their qualifying and quantifying the people that they were to hire, and the pre-employment, describing to the veteran and qualifying exactly what their interests are, so you can basically plan for success—if you don't want that type of work, don't even ask. But I think there is a tremendous lack of prequalifying. Because we got calls on several numbers of people that had absolutely no interest in the travel industry. It was just moving paperwork, or moving people.

Ms. KAPTUR. Do you think the screening should have been done better by the local bureau of employment services?

Ms. FRY. Yes, the job counselor.

Ms. KAPTUR. You know, Mr. Chairman, we ought to look at this; how people first become aware of this program and simplify it. It's sort of like the new W-4 forms. It's so complicated that the Secre-

tary of the Treasury had to go back and do a second draft. I don't even think now, even though the VA has tried to simplify these forms, that there's been enough progress to make it more simple and to meet some of the needs that she has identified with the prescreening. I don't know. I hope the VA witnesses address this when they come up before us.

I had a specific question of Mr. Radtke. When you mentioned you might be coming to the Toledo area, is this in conjunction with our Vietnam veterans' desire to rehab housing?

Mr. RADTKE. No, that's new. What we're coming to do is to buy the Macy's building and redo the Macy's building into a multi-use facility.

Ms. KAPTUR. If I might just interject here for one second, we are having hearings in my subcommittee in about 2 weeks on the whole VA housing program. We are certainly looking for ideas of how we might move some of our VA-foreclosed stock.

Mr. RADTKE. This would be perfect.

Ms. KAPTUR. So if you have testimony you might want to offer there, I hope you call my office and we'll try to get you in on the witness list.

Mr. RADTKE. This is what I have talked to the VA about, about using their inventory. Because while you're training the people, we have developed it so that the training takes place on site. So when the day is finished, you have a completed product which could be put back on the market.

We have done foreclosure work for many banks and mortgage companies, and the VA seems just like a natural extension. We have worked closely with the VA office in Detroit—I don't know if that would be the same as you would have in Toledo—on taking over a lot of their foreclosures, whether we buy them outright or use them for their inventory, fix them up. But it is a perfect vehicle. And the unions are very supportive. I met with the union people in your city about a year ago, with Mike Duckworth and the people that you would know very well.

Ms. KAPTUR. Yes, in community development. Well, we're looking for national recommendations that will fit many districts—and I know I'm going overtime here, Mr. Chairman. But I hope, Mr. Radke, that you will call my office.

Mr. RADTKE. I shall.

Ms. KAPTUR. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. Next, the chairman of the Oversight and Investigations Subcommittee, also a member of this subcommittee, Mr. Lane Evans of Illinois.

Mr. EVANS. Thank you, Mr. Chairman. I want to salute you for holding the hearing on the problems that we're having with our employment program here in the Veterans' Administration.

Also, as a member of this subcommittee and the full committee, and also as chairman of the Vietnam-era Veterans in Congress, I want to salute Mr. Radtke and Mr. Moseley, not only for participating in the program, not only for going through all the administrative problems that you had, but coming here today. I think you are showing a great interest, not only as business people, but in a public way, of letting us know exactly how we can improve these

programs so we can make them more effective and reach more veterans and more businesses. So for you to take the time to go through all these hassles that you've gone through in setting up the program, and even to come here today, we greatly appreciate it.

I did not have the opportunity to hear you give your testimony, but I am reading it now. I just want to thank you for taking the considerable time and effort to get involved in the program and to come here today. You are to be commended and saluted.

Thank you very much.

Mr. DOWDY. I want to point out, so we can perhaps pursue this with other witnesses, that the Department of Labor has primary responsibility for publication or publicity of the program, and the Department of Labor and the VA have joint responsibility under the legislation for counseling. Maybe we can pursue that with other witnesses.

If there are no other questions of this panel of witnesses, we would like to thank Mr. Lieberman, Mr. Clark, Mr. Moseley, Mr. Radtke and Miss Fry for your assistance this morning. Thank you very much.

Mr. MOSELEY. Thank you.

Mr. DOWDY. I would also like to note that our colleague, Mr. Dornan of California, was present and was called away to another committee meeting.

Our next witnesses will be a panel of State employment officials, my friend, Mr. Thomas H. Dyson, Executive Director of the Mississippi Employment Security Commission. He is accompanied by Mr. Robert H. Morgan, Director of the Mississippi Employment Security Commission. I would like to welcome you to this hearing. Mr. Dyson, if you would proceed with your prepared statement. As I have explained to the other witnesses, here in the committee we hold formal statements to 5 minutes. When the red light goes off in front of you, your 5 minutes are up. Then we would welcome the opportunity to solicit your responses to questions.

STATEMENT OF THOMAS H. DYSON, EXECUTIVE DIRECTOR, MISSISSIPPI EMPLOYMENT SECURITY COMMISSION, ACCOMPANIED BY ROBERT H. MORGAN, EMPLOYMENT SERVICE DIRECTOR, MISSISSIPPI EMPLOYMENT SECURITY COMMISSION

Mr. DYSON. Mr. Chairman and members of the subcommittee, my name is Thomas H. Dyson. I am Executive Director of the Mississippi Employment Security Commission. Accompanying me today is Mr. Robert Morgan, Employment Service Director of the Mississippi Employment Security Commission.

We appreciate the opportunity to appear before you today to share the impact of the Veterans Job Training Program in Mississippi and to make certain recommendations concerning the program.

Considering the economic conditions and the size of Mississippi, the Veterans Job Training Program has had a very positive impact on services to veterans in our State. Since the beginning of the program, we have had 424 different employers certified. These certifications represented 772 available training positions in which 340

veterans were placed, with an average starting wage of $5.37 per hour. This represented more than $2.8 million approved, with over $1.3 million, or 46 percent, obligated.

The other training positions were not filled due to various reasons, with the main ones being changes in employer needs or an inability to locate suitable, qualified veterans. In addition, we had one large employer certified for 435 training positions, representing over $1.4 million. Due to a delay in start-up operations, these positions were never filled. This would have doubled the impact of the Veterans Job Training Program in Mississippi.

Based on our experience with the program, we would make certain recommendations for your consideration. We would recommend that the program be reinstated. Adequate funds should be included for publicizing the program at the beginning. Before, funding for publicity was not available until half way through the program. Funding should be provided to allow the program to operate continually throughout the period authorized by Congress. When any program is allowed to end and then has to be restarted, it is more like a new program and publicity is needed for each start-up period.

We would also recommend that efforts be made to shorten the time required to approve an individual veteran for a training position. Once an employer is certified, any long delays in certifying veterans to fill the positions tends to lead to many positions never being filled.

Our final recommendation is that consideration be given to establishing a 90 to 120 day time limit in which an employer must fill training positions after certification. If positions were unfilled at the end of the time limit, funds could be deobligated and used for other employers. This would lend itself to a more efficient and effective use of available funds.

Mr. Chairman, that concludes my prepared statement. Please accept my written statement as part of the record. We would be pleased to respond to any questions that the committee has at this time.

Thank you.

[The prepared statement of Thomas H. Dyson appears at p. 65.]

Mr. DOWDY. Mr. Morgan, do you have a prepared statement?

Mr. MORGAN. No, sir, I do not. I am here to respond to questions, if so desired.

Mr. DOWDY. Fine.

Either Mr. Dyson or Mr. Morgan, in the statement, which I read earlier, you indicated the VJTA funds are obligated when an employer is approved. It is my understanding that funds are not to be obligated until the match is made.

Would you more fully explain the situation in our particular State so that we can take it up with the VA further?

Mr. DYSON. Mr. Chairman, since Mr. Morgan runs the program for Mississippi, I'll let him respond to those statements.

Mr. MORGAN. You are correct, sir, in the statement that they're not actually obligated at that point. The point is that the accountability of remaining funds is somewhat questionable because no one knows exactly what you have set aside to allocate in a particular position.

What we are saying here is that, if we take this approach toward it, not only will we know more readily what funds are available for use, but also the 90 to 120 day limitation will encourage employers to go ahead and act in filling these positions, rather than letting them drag out for 9 or 12 months or so. Really, a lot of them wound up, as you can see from our testimony, of not ever having been filled because of this allowance of no time limit on it.

Mr. DYSON. Mr. Chairman, I would also like to state in reference to that, that if a particular problem came up and an employer needed an extra 30 days, we would like to have some mechanism in the administrative functions to allow him an additional 30 days to get his—not kill it, we'll say, at 90 or 120, but have a time frame that we could work within. That's our main concern. If he needs an extra 30 days to fill the positions, and tell us about it, then we would be glad to work with him in that regard.

Mr. DOWDY. We were told in the Congress that, when we reduced the veteran participation requirement for the unemployment period from 15 weeks down to 10 weeks, that the pool of suitable veterans would increase. Did you find this to be true?

Mr. MORGAN. Yes, sir, we did. That was true and it did open it up for more veterans to participate in the program.

Mr. DOWDY. Let me ask this. Apparently in our State we have a different situation than that which Marcy Kaptur was talking about earlier. We apparently have a surplus—if I understood Mr. Dyson's statement correctly—a surplus of employers in relation to the pool of eligible veterans. In Ohio apparently they have just the opposite situation.

Is there any communication between the State employment agencies regarding available veteran pools? Can you contact the Job Service in Ohio, letting them know about vacancies that are available in our State or any other State which cannot be filled under the program?

Mr. MORGAN. Yes, sir, we certainly can. There is the National Job Bank system which allows us to publicize these openings throughout the 53 State employment security agencies. For most of the jobs that are related to this program, however, they were looking for local people insofar as they could find them, which did not make it conducive, from the employers' point of view, to do widespread publication of these openings.

Mr. DOWDY. I want to thank both Tommy and Mr. Morgan for their presence this morning.

Chris Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

Mr. Dyson, you note there were 424 different employers certified. How many employers applied for certification and how many were denied certification?

Mr. MORGAN. I don't know of any, sir, that were denied certification. We worked very closely with the employers in developing the necessary paperwork. Contrary to what I had heard in the first panel, the Employment Service there took the lead in this effort. We went out and made personal contact with the firms, sat down and helped them complete the forms with our staff, as well as develop the training curriculum outline. I don't know of any that we

had, that had adequate facilities to provide the training, who were denied certification.

Mr. SMITH OF NEW JERSEY. You note that there were some deficiencies in publicity. How did those 424, and how does anybody in Mississippi find out about the program?

Mr. MORGAN. Initially the information was on a local basis, from our staff within our offices contacting the employers in their area. As was mentioned, the publicity money became available about midway through the program. There was a release that came from the Assistant Secretary of Veterans Employment and Training Services that was published in the newspaper, and some people picked up on it there, but followed up with a contact with us or the VA. The VA notified us when a contact was made, and we made a personal contact with that firm.

Mr. SMITH OF NEW JERSEY. The employer you referenced who would have provided 435 training positions, who was that and are they still interested, if the money becomes available?

Mr. MORGAN. Yes, sir. They're still interested. It was just a matter of some problems in getting their facility going in the Greenville area there. It was Boeing Aircraft.

Mr. SMITH OF NEW JERSEY. So the problem wasn't the VA?

Mr. MORGAN. No, sir. It was a company problem.

Mr. DYSON. It was a company problem. They had problems funding and getting their initial funding off the ground, and that delayed the operation.

Mr. SMITH OF NEW JERSEY. One final question. Do you work through any of the colleges, particularly the business-oriented colleges, in Mississippi to get the message out? You know, some of these people who are taking business administration courses obviously will be entrepreneurs themselves and in a position to hire a vet and to perhaps implement this program.

Mr. MORGAN. Yes, sir, we do. We have very good contact with the colleges in our State. We also run a professional resume service in which we lean on the colleges a great deal to get the resumes of their graduating students. The publicity got to them and continues to.

Mr. SMITH OF NEW JERSEY. Thank you very much for your testimony.

Mr. DOWDY. Marcy Kaptur.

Ms. KAPTUR. I have no questions at this time, Mr. Chairman.

Mr. DOWDY. All right. We want to thank both Mr. Dyson and Mr. Morgan for your presence before the subcommittee this morning. Thank you very much.

Mr. DYSON. Thank you, Mr. Chairman.

Mr. MORGAN. Thank you for the opportunity.

Mr. DOWDY. Next we have a panel representing the veterans' organizations. We have Mr. Paul S. Egan, who is Deputy Director of the National Legislative Commission of the American Legion, accompanied by Mr. Dennis K. Rhoades, Director of the National Economic Commission of the American Legion; Mr. James Bourie, National Service Director of AMVETS; Ronald W. Drach, the National Employment Director, Disabled American Veterans; and Mr. Richard W. Johnson, Director of Legislative Affairs, The Non Commissioned Officers Association of the United States of America.

We thank you very much for your attendance here this morning, and we would ask that you proceed with your statements at this time. Mr. Egan.

STATEMENTS OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, ACCOMPANIED BY DENNIS K. RHOADES, DIRECTOR, NATIONAL ECONOMIC COMMISSION, THE AMERICAN LEGION; JAMES G. BOURIE, NATIONAL SERVICE DIRECTOR, AMVETS; RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS; AND RICHARD W. JOHNSON, DIRECTOR OF LEGISLATIVE AFFAIRS, THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. EGAN. Thank you, Mr. Chairman.

First of all, I would like to express the American Legion's thanks for the order in which we're appearing at this morning's hearing. It's a refreshing change.

While awaiting our turn to testify, we had an opportunity to review the statements of both the Department of Labor and the Veterans' Administration. It appears that, once again, the Office of Management and Budget has done a splendid job of coordinating the remarks of those two agencies in a fashion consistent with their view, irrespective of the merits of the program at hand.

After having said that, I will turn the microphone over to Dennis Rhoades, the Director of our Economic Commission, for our formal summary.

STATEMENT OF DENNIS K. RHOADES

Mr. RHOADES. Thank you.

Mr. Chairman, I would like to first of all send the personal congratulations of our National Commander, James P. Dean, upon your becoming a subcommittee chairman. I know he speaks very highly of you and we're looking forward to working with you. I think we've got a lot on our plate.

The second thing, I would just like to follow up on what Paul Egan had to say concerning the administration's statements. I'm a little surprised at them, on basically how dilatory they are in the first place. I want to put that to rest, I think, now.

One, the VA's statement says—and I believe the Labor Department's statement also indicates—that there is no longer any need for a separate Veterans Job Training Program because there's going to be a program for dislocated workers.

Mr. Chairman, at the last meeting of the Secretary's Committee on Veterans Affairs, my colleague, Mr. Drach, and I asked the Secretary of Labor if the proposal coming out of the Labor Department would be targeted toward veterans. The Secretary said he would have no problems with that. And yet, the statement, the actual legislation which came out of the administration, did not do it. We feel, sir, like we've been had. The fact is, the national job training programs have underserved veterans for 15 years, first at CETA and now JTPA. So we are not very confident about this no need.

I might also point out to my colleagues at the VA, that if you use that kind of logic, we don't need a separate housing program for veterans, either, nor, indeed, do we need a separate medical care system. So I have some real questions about the Orwellian logic that informs the administration's statements.

But let's get on with it. Let's talk about the program. We are very supportive of your proposal to extend the Veterans' Job Training Act for 2 years. It is refreshing to see that we have a multi-year extension under consideration. One of the big problems with the program has been its stop-start configuration for the last 3 years. I think that has, in no small way, contributed to the fact that we've had a lot of bureaucratic fumbling. When you start a system up and stop it, open it up and shut it down again, I think the people that operate the program often lose confidence in it. So we're very pleased to see that you have requested a 2-year extension. We believe that will help at least with some of the problems with the program.

We also want to affirm that we continue to support the 10 out of 15 week eligibility standard. We feel that if it's lowered, it is going to be very difficult to sell on a needs basis to Congress. We think 10 out of 15 weeks obviously is producing enough qualified veterans to more than meet the jobs that the program is developing.

Having said that, Mr. Chairman, we do believe the subcommittee ought to target on and perhaps waive the unemployment eligibility requirements for one particular class of jobless veterans, and that is the displaced worker. Twenty-six percent of all displaced workers, men and women, are veterans. To put that in proportion, about 13 to 15 percent of the labor force are veterans, which means that veterans are being displaced from their jobs at approximately twice the incidence among working people in the United States. We therefore believe that waiving the unemployment criterion for the disabled veteran worker might be very useful, because studies have shown that the earlier you intervene with a worker when a plant shuts down, or they have permanently lost his or her job, the better chance he has of avoiding financial catastrophy for his family and getting back on his feet and getting on with it.

Our last comments I think, Mr. Chairman, concern the administration of the Veterans' Job Training Act program. We have heard a lot about the fact that there hasn't been a lot of publicity, that there are delays in getting certification. Frankly, that doesn't surprise me because, despite the claims in the administration's statements that there has been good cooperation between the agencies, I'm going to suggest to this committee there has been none.

I happened to be at a meeting of the Department of Labor in mid-September, at which we were shown a public service announcement that had just been produced concerning the Employment Service. The centerpiece of that public service announcement was the Veterans' Job Training Act. After we had seen the film, a Department of Labor staffer walked in from a meeting with the VA and said, "Guess what? They're out of money." The Labor Department had no idea that the VA had run out of money for VJTA. They had no phase-down plan, no remaining dollar level, to try to cool the system down, so that you don't end up promising employers more than you can deliver. I think if that lack of communica-

tion is that basic, then you have to wonder what other kinds of administrative problems this program might have. So I think the Labor Department and the VA are going to have to do a much better job in talking to one another and really planning for the program, not just sitting there and disbursing dollars, but really doing some basic planning at the national, the State, and the local level.

The Employment Service is very critical—and I'm glad to see the Employment Service Director from Mississippi here to talk about it. I understand, Mr. Chairman, by way of ending my statement, that the subcommittee has tentative plans to hear witnesses on the future of the Employment Service come April 29. And since the Employment Service is a key agency in the administration of this program, I think that hearing is going to be critical.

Again, Mr. Chairman, we thank you for the privilege of being here and we will accept questions, once you're ready.

[The prepared statement of the American Legion appears at p. 67.]

Mr. DOWDY. Mr. Bourie, then Mr. Drach, and Mr. Johnson.

STATEMENT OF JAMES G. BOURIE

Mr. BOURIE. Thank you, Mr. Chairman.

You'll have to pardon me; I've got a bit of a cold. But, nonetheless, we want to offer our congratulations on your elevation as chairman of the subcommittee, a very important one, and indeed, we look forward to working with you. And we applaud the committee for taking a look at this most important program in veterans employment and training matters.

To digress, we applaud the Senate Veterans' Affairs Committee for extending the program for 2 years, and we understand that the Treasury Department has made funds available to the VA to continue the program through at least this fiscal year.

AMVETS unequivocally supports the continuation of the Veterans' Job Training Act and is very disappointed that the Veterans' Administration, with really no prior notification, allowed it just to expire. We have found it an extremely popular program that actually places eligible veterans in jobs. It is, or was, the only veterans employment and training program administered by either the VA or the Department of Labor, through the office of Assistant Secretary for Veterans Employment. The program's popularity and relative ease of administration combined to place thousands of veterans on career paths.

AMVETS knows first hand the truth of that statement as we have hired over eight National Service Officers under the program and would hire more should the program continue.

Since its inception, the program has placed over 50,000 eligible veterans in jobs and over 70,000 employers have been approved. There are problems, however, such as high turnover of jobs, noncareer opportunities, low percentage of disabled veterans involved, and too great an emphasis on veterans who are job ready to make the numbers look good. Also, the hardcore unemployed and the disabled were at a great disadvantage in the program.

We must also strive to eliminate the start/stop aspect of the program. We need program continuity, a definite future time to start and the time it's going to end.

Mr. Chairman, the program remains a worthwhile program that should be continued at least 2 or more years. We are not out of the woods on veterans employment, regardless of official statistics.

Mr. Chairman, that concludes our statement and we will be happy to answer any questions you may have.

[The prepared statement of James Bourie appears at p. 70.]

Mr. DOWDY. Mr. Drach.

STATEMENT OF RONALD W. DRACH

Mr. DRACH. Good morning, Mr. Chairman. Thank you very much.

On behalf of National Commander Ken Musselman, I too would like to welcome you as the chairman of this subcommittee and Mr. Smith as the ranking minority. We look forward to working closely with you on these issues.

As you know, Mr. Chairman, and has been stated, just about everybody supports an extension of VJTA, with the exception of the administration. But then again, I can't recall any administration in the last 15 years that has ever really supported any employment and training initiatives for our Nation's veterans. It has always been in opposition on the basis that no separate programs are needed and it's too costly.

I think if you look at some of the data that is available in terms of the number of veterans that have been placed under VJTA and EVJTA, and look at some of the returns to the Treasury—I did a very rough estimation, using 1985 as a base tax year—that about $132 million has been returned to the Treasury in that year based on the number of veterans that went back to work. This approximates the initial outlay of $150 million. So the program looks like it's paying for itself. That doesn't even take into account the contributions to the local economy and to the Gross National Product.

As Dennis Rhoades pointed out, the administration's basic rationale for not supporting VJTA's extension is the worker readjustment program. I won't reiterate what Dennis said but would just ask that you look at that very closely. It is a very, very weak argument for not supporting an extension.

I think the Centaur Associates study really sums up in one paragraph the reason that it should be extended—and I quote: "VJTA has produced statistically significant positive impacts upon the employment rates and the earnings levels of participating veterans in the short run and in the long run. These positive impacts experienced by participants are shared, in different ways, by both the completer and drop-out subgroups."

We are pleased particularly to see that the service-connected disabled veteran rated at 30 percent or more are participating in VJTA in relatively higher numbers than their representation among the certified eligibles. However, we are concerned that less than one-third of these disabled veterans completed their training. And I think part of that is attributable to the problem that Mr. Moseley pointed out this morning with the double amputee.

Another thing that raises some concern among us is the report that employers report 75 percent of the involuntary terminations were for unsatisfactory performance. Yet veterans report about 75 percent of the involuntary terminations were based on layoffs. I think something needs to be done to look at the prospect of the employer bringing that person on board and retaining that employee and being very careful not to certify employers who are in a declining industry or are not economically very solvent. I think that could be one of the reasons why the layoff rate is so high—if, indeed, it is a layoff. You obviously have conflicting statements there.

We are also concerned that something more needs to be done about the disabled and the minority veteran participation. According to the Centaur information, about 40 percent of nondisabled participants complete their training. Thirty-six percent with disability ratings of 10 and 20 percent complete their training, and it drops to 32 percent with those disability ratings of 30 percent or more.

Blacks do not participate as often as whites, and those who do participate are less likely to complete their training than those in other racial ethnic categories. Only about 30 percent of the black participants complete their training.

I have got several recommendations. One, I think the veteran should be made well aware of the type of job and the duties involved before the veteran gets into the program. To the extent possible, the employers should outline as career ladder before employment is offered and not just a training outline. Additional efforts need to be made to match the job opening with individuals who have the interest, aptitude, and ability to complete that training.

Increased outreach efforts must be undertaken to reach disabled veterans, black veterans, and I think as was indicated this morning, the employer community. They are apparently pretty ignorant about the program.

Thus far, VJTA and its predecessor, EVJTA, served primarily the younger, better educated, white veteran who has relatively short periods of unemployment. If we wish to attempt to address the needs of other veterans, those chronically, long-term unemployed veterans, we need to state that, and we need to emphasize that in future programming. The DAV supports this approach, since we believe the program is no longer seen as an emergency and that the target population should be expanded.

The only actual legislative change that we would recommend—and we made this back in 1983, during the original discussion—is that VJTA be made an entitlement program. We suggest that, if you made it an entitlement program, it be scheduled to expire December 31, 1991. That coincides with the definition of Vietnam-era veterans in title 38 for employment and training programs right now.

I, too, will be happy to answer questions. Thank you.

[The prepared statement of Ronald W. Drach appears at p. 74.]

Mr. DOWDY. Mr. Johnson.

STATEMENT OF RICHARD W. JOHNSON

Mr. JOHNSON. Thank you, Mr. Chairman. I will attempt to be brief in my statement.

Let me begin by also extending the congratulations of NCOA on your appointment as chairman, and Mr. Smith's appointment as ranking minority member. Let me also take this opportunity to welcome Mr. Kennedy to the committee. We appreciate your interest in veterans, sir.

NCOA has a standing interest in jobs programs, as has been evidence by our past 12 years of running job fairs around the country. NCOA is now running 20 job fairs a year in the United States and in Europe for recently-separated and other honorably discharged veterans. We also run a resume referral service, with no cost and no limit to participation in the program, no limit on membership. We are now into a new and more aggressive employment transition service, which does a little more marketing, and NCOA has continued to monitor Federal programs for employment.

With regard to this morning's subjects, I join my colleagues in strongly endorsing H.R. 1504 and commending Congress for extending the program in the legislation through 1991, authorizing appropriations for 3 additional years. That represents a tremendous step forward in providing some future and some security in the program.

Part of the problem that has existed in veterans job training programs through the years, and not just VJTA, but also VRA and HIRE and CETA, is the annual reauthorization process which has contributed to a start-and-stumble situation, which has been alluded to by my associates here this morning. It was, indeed, the greatest deficit in the program. Adoption of this legisltion will provide greater stability in veterans' job training.

With regard to recommendations, NCOA has only two. First, we believe that part of the problem with counseling is the lack of staffing on the part of the Veterans Employment and Training Service, to actually assign case managers to adequately meet with and counsel individual participants in the Veterans Job Training Program. They set up a unique system, a unique program to deal with that, and we are convinced that with better staffing and greater emphasis, the Veterans Employment and Training Service can tremendously contribute to increased enrollment and significant improvement in completion rates in the program.

Our last recommendation is to increase eligibility under the program, to include several groups, dislocated workers and homeless veterans among them, but also military retirees who are trying to make a career transition after 20 or 30 years of service, and recently separated veterans. Right now, the Department of Defense is creating veterans at a rate of well over 300,000 a year. Those people have to work somewhere and they still come out of the service today as riflemen, just as they came out of service in Vietnam as riflemen, with a great need for training to learn something other than how to dismantle an M-16.

With that, Mr. Chairman, that concludes my remarks.

[The prepared statement of Richard Johnson appears at p. 78.]

Mr. DOWDY. I thank all of you for your testimony.

Mr. Johnson, in your prepared testimony you mentioned the President's Committee on Employment of the Handicapped. We are aware that the Subcommittee on Disabled Veterans of the President's Committee has done extensive research in many areas of our country regarding veterans' employment.

Are you in a position to tell us what this committee has heard in the field, out in hearings, regarding VJTA?

Mr. JOHNSON. As you may know, Mr. Chairman, the Subcommittee on Disabled Veterans—and I might point out that several of the people on the panel here are also participants in that committee—the Subcommittee on Disabled Veterans has been holding a series of field hearings around the country to explore problems with disabled employment. The Veterans' Job Training Act has come up, to my recollection, on only one occasion, and it was, indeed, a complimentary issue at the time. There was one particular veteran whose salvation had been participation in the veterans employment and training program.

Mr. Chairman, I would be happy to contact our CODV staff and have them provide the results of those field hearings, or a synopsis of those field hearings, to this committee.

Mr. DOWDY. All right. We would ask you to do that.

[See p. 100.]

Mr. DRACH. Mr. Chairman, if I may interrupt, Bob Jones from the Veterans of Foreign Wars is on the next panel. He chairs the Committee on Disabled Veterans that has been very active in this. Perhaps he could address that when he comes up next.

Mr. DOWDY. All right.

One final question, a general one, to whichever panel members may want to respond. In my opening statement we were talking about 355,000 unemployed Vietnam-era veterans. These statistics from the Bureau of Labor Statistics do not reflect the category "discouraged workers."

If these individuals, those who are categorized as discouraged workers, were included in those Bureau of Labor Statistics statistics, what type of picture would we actually see, rather than the 355,000 Vietnam-era veterans?

Mr. BOURIE. We're finding with the disabled, the hardcare, the dropouts, and the rest of them that aren't officially reported, probably pretty close to double that. People have just dropped out. I think I'm safe, in having done this for a number of years, that I'll stay with the double figure.

Mr. DRACH. Easy double. When you get down to some specific categories—for example, the more severely service-connected disabled veteran, those rated 60 percent and higher—67 percent of those people have dropped out of the labor force all together. They're obviously not even counted, you know, as being unemployed, as you indicate.

Your question reminds me of something that happened years ago. The Department of Labor doesn't keep as good a data as they used to, and I think I know why—because we use it very effectively to counter those official unemployment statistics. Back around 1977 or 1978, the official unemployment rate was around 375-390,000, somewhere along there. But a more accurate picture that we saw was what they used to call the ESARS data, the Employment Serv-

ice Automated Reporting System, which showed that in that particular year—and I don't remember exactly what year—there were more than two million Vietnam veterans registered for employment services at the local Job Service. So that was almost six times what the official unemployment rate was. And that doesn't even include the discouraged worker. So that 355,000 is an official Bureau of Labor Statistics definition that they use, that is very self-serving, to count unemployed people.

Mr. RHOADES. I might also add, Mr. Chairman, there are certain other limitations to that survey—and this is not to take away from the job that the Bureau of Labor Statistics does. First, if I am employed 1 hour during the given survey week, mowing someone's lawn because I can't find a job elsewhere, I am considered employed. I am not considered unemployed.

The second thing is that really, what the survey is saying is, on a given day, were you employed and were you available for work. Janet Norwood, I think, if you've ever had a chance to talk to her, Mr. Chairman, will tell you that the current unemployment rate that is used, not only for veterans but in the U.S. nationally, has some fairly severe limitations. She's not happy with it, and we certainly think it doesn't give you much of an idea of the dimension of the problem.

Mr. DOWDY. I see that my time is up. Thank you very much.

Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

Mr. Bourie, you and other members of the panel expressed concerns regarding program continuity. I note that you have asked for at least a 3-year authorization, and then I think you also suggested making it an entitlement.

One of the things I have been contemplating is offering an amendment to raise the authorization to 3 years. I don't think the entitlement aspect, though, would fly. I think it would run into a great deal of opposition throughout the process. But I think the 3-year idea is a good one, and I would appreciate every member of the panel giving their view on that issue, and indicating if they would support that.

Mr. BOURIE. AMVETS has no problem with extending it for 3 years, to 3. We'll take whatever.

Mr. RHOADES. You have the support of the delegates to the last convention of the American Legion, because we passed a resolution to that effect.

Mr. DRACH. The DAV would support the 3-year extension, although we do wish you would consider the entitlement.

Mr. JOHNSON. We also fully support the 3-year extension. The program needs continuity and that would provide it.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. Rhoades, you indicated that you felt displaced workers ought to be involved in VJTA. Do you have any idea how many people we're talking about?

Mr. RHOADES. It's really hard to say, but we believe that we're talking about perhaps a million people a year, at any given time. Now, of course, some of these people will lose their jobs and then jump back into the work force; others will go through extended periods of unemployment, depending upon their situation.

Farmers, I might add, are a key element to this group. You probably have heard as I have, of some of the horror stories you're getting out of Iowa and Kansas and Nebraska. To my mind, the farmer that loses his farm is every bit as much a displaced worker as a person in a factory that loses an assembly line job.

So it is considerable. We do know that. I personally believe it is going to be the single greatest veterans employment problem between now and the end of the century.

Mr. SMITH OF NEW JERSEY. Mr. Drach, on page 3 of your statement you note that employers reported that approximately 75 percent of the involuntary terminations were for unsatisfactory performance. However, veterans reported just the opposite; their responses indicate that approximately 75 percent of the involuntary terminations were layoffs. And you note that you believe further investigation into this matter is warranted.

It is my understanding that the employer has to at least file some notice with the VA or with the Department of Labor as to what has happened to a particular employee. How did you get the information on the veterans?

Mr. DRACH. This came directly from the Centaur study.

Mr. SMITH OF NEW JERSEY. Okay. Is that considered to be statistically accurate?

Mr. DRACH. They paid close to a million dollars for it, so let's hope so.

(Laughter.)

Mr. SMITH OF NEW JERSEY. I would hope to be able to address that issue, too, because we certainly have a discrepancy of opinion from the employers and from the employees.

Mr. DRACH. If I may, I would just like to add one comment to that—and this is a personal observation, from watching other programs. A lot of employers use these programs to get temporary help. They did it with the HIRE program, they've done it with CETA, they've done it with JTPA. So part of this "layoff" situation may be the result of employers who did, indeed, bring somebody in just to get some seasonal work and get some Government money to help pay for it.

Mr. JOHNSON. That was a never-ending problem under CETA and HIRE. That was something that went on consistently.

Mr. BOURIE. Let me add, of course, that we hired eight service officers under the program; so we know first hand, I fill out all the damned paperwork for it. I find it's a relatively easy program.

I finished off on one service officer yesterday. The communication between Houston and my office, the exchange of paperwork, a very simple form, bingo, no fuss, no muss. I've got a name, I've got a number, I've talked to her, it's a real live person that has straightened out every problem. We have not had a problem with any of our service officers through this program. The checks would come regularly, and they're for the precise amount. We haven't had a bit of problem with it.

Mr. SMITH OF NEW JERSEY. One final question, Mr. Chairman.

I note in Mr. Vogel's testimony that he points out that 20 percent of the trainees completed their training and were still employed by the training organization 16 months following completion

of the training. That follows what Mr. Drach was saying, concerning temporary employment.

What happens to these veterans? Do we have any indication of where they are 3 years later, where we think they'll be, looking into the future? Do they often stay within the same industry? Does the training pay off, long term?

Mr. DRACH. There's never been a study, to my knowledge, done that measures that particular component of the training program. I think the one paragraph in the Centaur study that says there is a long-term payoff has to make us conclude that, yeah, there is a long-term payoff, be it whether they stay in the same industry or move into another industry. Seventeen percent of the dropouts do quit for better jobs. So I think there are some very positive terminations there, and I think that has to be looked at very positively.

Mr. RHOADES. I don't recall any study. Maybe that's something we ought to look at on a national level. I don't think we've ever had any studies which have really followed up on our national training programs. Maybe that's a part of the problem.

Mr. SMITH OF NEW JERSEY. I would suggest that focus, particularly if it turns out to be high yield, with a very rewarding number of people obtaining long-term and very meaningful employment, will give us I think more ammunition for fighting for higher levels of funding.

I thank you for your comments and your testimony. I am glad to see you have been moved up much further in the agenda today, and I thank the chairman for that.

Mr. DOWDY. Thank you very much, Mr. Smith.

Our next colleague is Mr. Kennedy. We want to thank him for his interest in the bill, and the other members of the subcommittee, for the other piece of legislation that has already moved through our subcommittee, the GI Bill. He went with us on our expedition to Fort Knox and some other installations.

Mr. Kennedy.

Mr. KENNEDY. Thank you very much, Mr. Chairman.

My first question is to really all five of you. How many of you are in favor of extension of the VJTA?

Mr. RHOADES. We all are.

Mr. DRACH. All of us.

Mr. KENNEDY. I understand, Mr. Chairman, we're going to be hearing from some of the people from the Department of Labor later on this morning. I just thought it might be helpful, in responding to what I think is probably the toughest paragraph in the synopsis here, it indicates that 60 percent of all the participants do not complete their courses of training. Of these, 25 percent leave to accept other jobs, 25 percent are dissatisfied with their training, and 30 to 40 percent are laid off or fired.

First of all, could one of you just respond to this?

Mr. RHOADES. We all do, actually.

Mr. EGAN. First of all, Mr. Chairman, for the American Legion, Dennis is more appropriately suited to answer your question. But, before turning the microphone over to him, I would certainly like to take this opportunity to publicly recognize your efforts on behalf of the New Bedford outpatient clinic. As you know, late last week

the VA decided to reverse itself on that and we are certainly glad to have had an opportunity to work with you.

Mr. KENNEDY. I appreciate that. Thank you very much. It was the most satisfying thing that has happened to me in Congress so far, so let's hope there's more to come.

Anyway, with regard to this issue, why is everybody dropping out?

Mr. RHOADES. Well, I think part of the problem, Mr. Kennedy, has to do with the fact that this is a program for job-ready people. That means people that can go into a job, can get into the work, do the training, and successfully complete it. The trouble is, any time anybody has been unemployed for 10 out of 15 weeks, they are more likely to have some ancillary problems relating to job adjustment.

If the program has a weakness, its weakness is its inability to deal with these problems because of resources. That, of course, is the advantage that JTPA has over this program, that there is a 15 percent set aside for supportive services, primarily directed toward job adjustment.

Mr. KENNEDY. Is there any friction between having two major Federal agencies trying to administer a single program? Is there friction between the VA and DOL on this? I know you said you have been working so well together.

Mr. BOURIE. Well, yes and no, because we were at that meeting that Dennis Rhoades alluded to, where the message was received by the VA that the program is over with. Even Secretary Shasteen was taken aback a little bit.

There is a very definite, at this level, a definite lack of coordination of the program, that talked about——

Mr. KENNEDY. Which level, sir?

Mr. BOURIE. At the national level, the Federal level, between Constitution Avenue and Vermont Avenue, and the two shall never meet. So there are some problems that need to be worked out, as we see it.

We're involved in the program almost on a daily basis—the publications, the PR, the outreach aspect of it, pamphlets, ads in the paper, the spots that were developed by the Department of Labor for this program, we were all dragged over there time after time and watched these spots that were going to run on TV. I never saw one. Of course, I'm not up at 3 o'clock in the morning, either, and not many employers are. But all of these things that were suppose to happen never really happened.

Mr. KENNEDY. The only point I'm trying to make is—Mr. Chairman, the reason I was late this morning is because, as you're aware, the Democratic caucus was being held and the chairman, Bill Gray, was talking about the various budget cuts that are coming down the pike.

One of the programs that was on the line was the new GI Bill, the Montgomery bill. If we sit here and look at a program, of which 60 percent of the participants simply are not able to complete the course, this is obviously going to be a program that is going to be looked at in a tough way. So I think if there are alternatives to this program, we had better darned well get them out on the table and get the reasons for the it. And if we're going to hear

from the Department of Labor as to why this program is not a good program, we had better hear from you on what the changes ought to be in order to get the participation up.

Mr. JOHNSON. If I could address that just briefly, one of the things we have to remember is the audience that this program is targeted at. It is targeted at people who, for lack of training and other skills, have not been employed currently for 10 of the past 15 weeks, and previously, 15 of the past 20 weeks, when the program was first created. We're dealing here with a group of folks who are employable, but they're not the most desired employees. We're trying to provide them training to provide new careers.

In many cases we don't prepare them well for that. We don't counsel them going in and say, "Okay, here's what's expected of you. You're going to work from 8:00 to 5:00 and you're going to be treated like a 5-year-old for the next 5 weeks, and pretty soon you're going to be able to screw the caps on these toothpaste tubes all by yourself, and then we're going to let you go and work for us."

A lot of folks don't understand that. What we need is something that the Labor Department is trying to create, a case manager system that would put a counselor, not on a one-for-one basis, but on a one-to-250 basis, with everybody who is placed under these programs, to be able to go to this individual and say, "Okay, what kind of ancilliary problems are you having? Can you get back and forth to work, or is that a problem for you? Are you having problems getting legs that fit from the VA, and can we help you along those lines? Do you have a problem in the job training itself that you don't understand that we can help clarify for you?"

With this kind of counseling, with adequate staff at the Veterans Employment Training Service to do that, we can keep more than 60 percent of the people in the program. We can keep more than 75 percent of the people in the program, because we can answer the questions that they have, rather than letting them walk away from the position.

Mr. EGAN. Can I add to that, Mr. Kennedy. No job program is all things to all people, and this program is no different. I mean, you have a mix of people who are attempting to take advantage of this program. You've got job-ready individuals and you've people who are not job ready. You've got individuals who have ongoing serious readjustment problems. So it really isn't surprising that there are only 60 percent of the people that are able to continue using the program.

If you take, for example, an individual who has zero skills, that is part of the structurally-unemployed, and you attempt to place him in a job training situation which is going to be above his capability, you can't expect him to complete that program.

I think Miss Kaptur earlier in the hearing made a critically important point, that we have to find a way for the Labor Department to access a greater percentage of the employer community, so that individuals who are certified as eligible for the program are placed in training programs that they're going to be able to succeed in.

Mr. KENNEDY. I think you make an excellent point and I'm sorry I missed Miss Kaptur's remarks. If we're going to talk "turkey", as you're pointing out, we ought to be doing that here.

But the difficulty I just see is that, if you're looking for programs that you don't think are effective, and you don't have the opportunity to hear all the various testimony with regard to this particular bill, then it just seems you're looking at one that is easily targeted. So we want to try and get those facts out as clearly as possible, so it doesn't appear as just black and white type on a piece of paper that demonstrates it's an ineffective program. I just think it's really important that you get that message out there and try to get the kinds of changes you need, particularly if there are problems with the DOL or whatever those might be, whether it's the outreach or whatever. Whatever the problems are, we had better get to them.

Thank you very much, and thank you, Mr. Chairman.

Mr. DOWDY. I thank the witnesses for your testimony here this morning. Thank you very much.

Mr. DRACH. Thank you, sir.

Mr. DOWDY. The next panel of veterans' organizations we will introduce in this order: Mr. Robert Moran, the Associate Legislative Director of the Paralyzed Veterans of America; Mr. Gordon R. Thorson, Special Assistant, National Legislative Service, VFW, accompanied by Mr. Robert Jones, Special Assistant for Employment, National Veterans Service, of the VFW; and Mr. Richard F. Weidman, Director of Government Relations, with the Vietnam Veterans of America.

Gentlemen, we thank you for your attendance and your assistance this morning. We would ask that you proceed in the order your name was called, giving your 5-minute statements.

STATEMENTS OF ROBERT MORAN, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA; GORDON R. THORSON, SPECIAL ASSISTANT, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS, ACCOMPANIED BY ROBERT JONES, SPECIAL ASSISTANT FOR EMPLOYMENT, NATIONAL VETERANS SERVICE, VFW; AND RICHARD F. WEIDMAN, DIRECTOR OF GOVERNMENT RELATIONS, VIETNAM VETERANS OF AMERICA

STATEMENT OF ROBERT MORAN

Mr. MORAN. Thank you, Mr. Chairman. I will be very brief.

First of all, on behalf of the Paralyzed Veterans of America, I would like to thank you for the opportunity to appear here today and express our views regarding the Veterans' Job Training Act.

PVA would like to commend the chairman and the members of the subcommittee for the introduction and cosponsoring of the legislation. PVA wholeheartedly supports the Veterans' Job Training Act. As an organization, we also have service officers within this program. We feel that it should be extended and money should be appropriated to extend the program to those.

Statistics have shown that it has assisted over 50,000 veterans, and as we know, there is an unemployment problem amongst certain categories of veterans. So we would just like to take this op-

portunity to thank you, commend the committee and the members, and it should be extended. We appreciate the opportunity.

[The prepared statement of Robert Moran appears at p. 81.]

Mr. KENNEDY [Presiding]. Thank you very much, Mr. Moran.

Right now I would like to ask Mr. Gordon Thorson to address the committee, please.

STATEMENT OF GORDON R. THORSON

Mr. THORSON. Thank you, sir.

We would like to thank the chairman and the members of the subcommittee for inviting the Veterans of Foreign Wars to appear at this hearing. Each of you has already been supplied a copy of our full statement and we respectfully request that it be made a part of the hearing record.

Let me take just a minute to summarize our thoughts. Do we feel that the Veterans' Job Training Act should be extended? Yes, certainly. The VFW believes that VJTA is a valuable and a successful program. We further state that all efforts should be made to ensure its continuation, with full and adequate funding.

Do we have any suggestions for improving VJTA? You bet. We have several suggestions. In fact, Mr. Jones, our VFW Special Assistant for Employment, will use the remainder of my time to further expand on our position and offer our suggestions.

One final note. Again let me say the VFW supports this veterans employment and training program. We feel that with a few improvements and minor adjustments, VJTA could be the mechanism that this country needs to help restore an appropriate level of employment for its unemployed and often homeless veterans.

Mr. Jones.

Mr. JONES. Thank you, Gordon.

Mr. Chairman, earlier in this hearing I had the opportunity to review the OMB testimony, and being a veteran, it reminded me a lot of a sandbag. A sandbag is nothing more than a protective device whose sole function is to lay around and absorb energy—and I'll elaborate a little bit more on that later.

During my short tenure with the VFW, one question has been consistent about the Veterans' Job Training Act. That question has been from the administration: Is there a need? The BLS data that was released on 31 March, 1986 confirms that male Vietnam veterans who served in Southeast Asia have had a difficult time in the labor market. Young, combat theater, minority and disabled veterans have found significant barriers to employment and endure high rates of joblessness.

A senior Department of Labor official, in discussing homeless veterans, estimated that on any given day in our country 500,000 people are homeless. He further went on to say that one-third of this number are veterans. That equates to approximately 165,000 homeless veterans on a given day. This individual further said that 10 to 15 percent of this number are Korean era veterans. Most of the remainder are Vietnam-era veterans. That is the target for VJTA. Most of these individuals, of course, are not job ready. They suffer from substance abuse, mental illness, et cetera.

The Bureau of Labor Statistics publishes monthly data which reflects that the younger categories of Vietnam-era veterans are enduring higher rates of unemployment than the nonveteran, in particular those 30 to 34 years of age. In December of 1986, the data that I have here reflects that that category of veterans are two points above the national unemployment rate, 6 percent versus 8 percent.

In February, 1987, the Federal Department of Labor, Bureau of Labor Statistics monthly labor review publishes a study by Mrs. Cohany, which was a follow-up study on the earlier data provided by the Department of Labor. It says that those who served in Vietnam, disabled, have higher unemployment rates and lower labor force participation rates than nonveterans. The jobless rate for blacks who served in Vietnam are two-and-a-half to three times that of whites. Two-thirds of the jobless Vietnam vets are reentrants. They suffer from frequent breaks in the labor force.

Data provided by the Bureau of Labor Statistics, again addressing displaced workers, from 1984 to 1986, reflects that the largest cohorts of displaced workers are Vietnam and Korean era veterans. Comparing the data of these 2 years, it reflects that the percentage of Vietnam veterans dropping out of the labor force from 1984 to 1986 has doubled. Unfortunately for the Korean vet, that percentage has tripled. Twenty-six percent of our dislocated workers are veterans.

The Job Training Partnership Act, which is the cornerstone of the administrtion's employment and training program, is not doing the job. The Congressional Record, February 17, describes JTPA as providing services that does not emphasize retraining for basic skills, skims the job-ready, serves only one in twenty of the displaced workers. The Worker Adjustment Improvement Act, as testified by our colleagues from the other veterans' organizations earlier, is not veteran-specific.

I reviewed the Centaur report and it showed that the dropout rates, which have been alluded to, for both the voluntary and involuntary areas, that there is a dire need for a support system in the first 3 months of training. Unfortunately, the DVOP and the LVER are not trained to address emotional difficulties, the absentee and health problems that are found amongst the veterans who are not job ready. The Employment Service, which provided 53 percent of the referrals to the VJTA program, is moving away from providing counseling services to veterans. We feel that a cooperative agreement between the DOL and the VA agencies to ensure that the mental health professionals are found in the vet centers and in the vocational rehabilitation services is in order. Let's let the DVOP/LVER place them, and let's let the VA counselors do the follow up and the case managing.

I feel it is time that we review the regulations and the procedures to ensure that this contract procedure, the certification process, is streamlined and made simpler for that small and medium-sized employer, and that they are made aware of the benefits of this program.

This program needs to target minority and disabled veterans, as well as the Korean era veterans. I concur with our colleagues from the American Legion, that we need to take a good, close look at

providing services specifically for the dislocated worker. We need to provide outreach funds and administrative funds for public relations. It's not there. We can't administer the program and we can't advertise the program.

To facilitate the entry of the disabled into the job market. I believe that we need to publicize such helping devices as the President's Committee for the Employment of the Handicapped's job accommodation network, which is there to explain to employers why and how they can facilitate employment and accommodate disabled veterans.

We need to find out why Korean vets aren't using this program. We need to get the LVER and the DVOP out of the office and doing the job development, promoting the program, being creative in program coordination, and pyramiding this program with other existing programs.

We feel the VA and the DOL can work close together through these outreach efforts, and we support reducing the 10 week unemployment eligibility criteria for the dislocated vet. We also support the extension of VJTA through 1991.

Veterans find the program successful; employers find the program successful. The veterans' service organizations find the program is successful. The post-program hourly wage for the vet is $7.10. That's above any other existing program. There is a need to continue this program, and we need to provide this training and employment to Vietnam and Korean era veterans. The question remains in the administration's commitment in providing veterans job training, employment, and the continuation and application of VJTA, instead of sandbagging. The VFW is committed to ensuring that this program continues.

Thank you.

[The prepared statement of Gordon R. Thorson appears at p. 84.]

Mr. DOWDY [Presiding]. Mr. Weidman.

STATEMENT OF RICHARD F. WEIDMAN

Mr. WEIDMAN. Thank you, Mr. Chairman.

On behalf of the national officers and members of Vietnam Veterans of America, I, too, would like to congratulate you on assuming the chairmanship of this subcommittee, and Mr. Smith on assuming the position of ranking minority member, and to thank you for the opportunity to appear here today.

The Vietnam Veterans of America would also like to thank you for having the employers on first today, Mr. Dowdy, because they are the crux of this program, whether or not the employers are fully informed and assisted by the Veterans' Administration and the Department of Labor in, (a), knowing that this program exists, and (b), in providing to them access to the support services that, in fact, should be available from the Department of Labor structures and from the Veterans' Administration to assist the veteran employees who work for them, that they have hired under this program.

We were very disturbed, Mr. Chairman, to see the VA's statement this morning. After all these years, after 20 years since Vietnam veterans first started returning from Southeast Asia, the Vet-

erans' Administration has consistently yet again failed to recognize that employment is a valid and inextricably bound up part of readjustment counseling. If you don't have a job, if you don't have any prospects of a job, if you do not have the skills to obtain a job, there is no way in the world that you're going to get someone to go through a rap group or go through other kinds of readjustment counseling successfully. If there is, in fact, no light at the end of the tunnel, it is really difficult to get people to come out of that "dark night" and to have a goal to work toward. That was very, very disturbing on the part of the VA's statement. I would agree with my colleagues that more likely than not, the Department of Labor's statement and the VA's statement could have been consolidated into one statement from the Office of Management and Budget. Nonetheless, it has VA's name on it and it's extremely disturbing.

The primary need has always been, in employment programs for veterans, the need for continuity, to know that, in fact, it is going to be there next year, and that you can rely on it. It becomes known in the employer community.

In testimony before this committee in the past, the VA has pointed out, again and again and again, that the targeted job tax credit, when it first came into being, was not a particularly successful program in the employer community. It was very difficult for job counselors to market it among employers. Once it became something that became an accepted thing, that people talked about at the businessmen's luncheons, that was talked about at Kiwanis, et cetera, that employers knew they could rely on as a hassle-free program, then more and more employers participated and the "bugs" got ironed out of the program because it was there year after year. People accepted it; people looked hard at the local level at the structures when there were difficulties with it, and moved to remedy those difficulties.

No. 1, the problem with the Veterans' Job Training Act, as with most other Vietnam veterans programs over the last 20 years, has been the "start/stop", "start/stop" syndrome alluded to here earlier this morning. Number one.

No 2, in conversations with the Veterans' Administration, one of the officials last week who administers this program admitted that, if it gets extended this time, they are finally going to have to get out of the juryrig mentality over there, of administering it as a temporary on transitory program. That, in fact, will go away.

That cuts to the nexus of the problem raised this morning by Mr. Kennedy, the dropout rate primarily occurs because of the lack of supportive services. In the VA statement they alluded to a recent GAO report, talking about Titles IIA and III programs under the JTPA having an almost 70 percent success rate. The reason for that is intensive supportive services and removal of barriers to employment, helping people to get into a frame of mind where they show up for work every day, on time, and other personal problems that get in the way of job performance are solved with provided assistance.

There is, as was testified to this morning by Mr. Mosely and Mr. Radtke, no such concerted effort on the part of the Veterans' Administration, nor by and large on the part of the Employment

Services at the local level. Now, that is because the VA/DOL working agreement that everybody keeps talking about is something that exists on paper but, indeed, not in fact, as pointed out by some of the incidents this morning that are indicative of a lack of commitment to working together.

If, in fact, the VA is going to discharge its responsibility to veterans, to help them obtain—particularly Vietnam in-country combat veterans and disabled veterans—to obtain gainful employment, you cannot rely on a DOL working agreement that doesn't work, because the VA has not invested any effort and any time nor any commitment, from the Administrator on down, to making the agreement work.

We would not only very much recommend and support the legislation as introduced by Mr. Smith, but would favor an extension beyond that. In our statement it is recommended that the authority be extended to 1993, with veterans able to sign up until 1991.

I would also just like to note that we got word this morning from Mr. Mack Fleming that today the Veterans' Administration has found the "old money" and released it, the $5 million that was appropriated prior to September 30, 1986, which will enable some of the people on the waiting list to obtain employment. That, when considered with a number of other developments that have occurred administratively within the past week leading up to this hearing, Mr. Dowdy, perhaps might lead you to consider having an oversight hearing just about once a month. Maybe then we can keep this program on track.

I see that our time has expired. I am certainly open to any questions and request that our statement be submitted into the record in full. Thank you, sir.

[The prepared statement of Michael R. Leaveck, presented by Richard F. Weidman, appears at p. 87.]

Mr. DOWDY. Thank you, Mr. Weidman. We would thank all of you.

We plan to do a series of hearings. We've had a number of inquiries from other members of both the subcommittee and the full committee on the program. We have already planned tentatively a hearing in Illinois, a field hearing in Mr. Evans' district.

I would like to offer to Mr. Smith and other members of the subcommittee, if they would like, we want to do some field hearings. We have communicated that to the members of the subcommittee. If any of you are interested in hearings, we would ask these organizations. We will notify you when we finalize the date and the hearing out in Galesburg, IL. I want to thank you for your help.

Also, in response to the statement of Mr. Jones and others, we hope that the training program for DVOPs and LVERs, which is now being conducted in Denver, will improve the ability of these individuals to do the counseling which needs to be done.

One brief question. Have your organizations communicated your support for this program to the Appropriations Committee?

Mr. WEIDMAN. VVA did, in fact, talk to the subcommittee last week, Mr. Chairman. We will be writing to the full Appropriations Committee prior to the full committee markup, which I believe is scheduled for late next week. A number of us in the back, the vet-

erans' organizations caucused this morning and were discussing that very thing. We will be pursuing it assiduously.

Mr. DOWDY. Thank you.

Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

Mr. Moran, I wonder if you could tell us how we could improve participation by disabled veterans in the Act?

Mr. MORAN. Well, Mr. Smith, that's a very good question. PVA, comprised of catastrophically-disabled veterans, has testified on numerous occasions to the importance of that. I think it was brought out today by Mr. Johnson with NCOA, and some of the other organizations, that it's not just the program itself but it's the outreach and all of the services that go with that—transportation, medical, limbs that don't fit correctly. So I think there's a lot of problems that go with the individual veteran, as a disabled veteran, that he needs to take care of as far as being a productive worker. Hopefully, through various other programs and through the organizations and the "PR"and everything put together, we could do that.

We have testified on other occasions on other educational programs that we feel very strongly on, vocational rehabilitation, gearing the veteran more with the training to the job than providing the job itself.

Mr. SMITH OF NEW JERSEY. Have the veterans outreach clinics been a help in this area, in providing information to the veteran that these services are available? As a matter of fact, Mr. Jones was speaking of the homeless situation, and I think the figure you gave was 165,000 homeless are veterans.

I recently read the 1984 HUD study and they indicated some of the same things you pointed out, for instance, that substance abuse is a major problem. The medium age, according to that study, was 34, although obviously a great number of the Vietnam veterans would fall into that category.

What are our Vietnam veterans centers doing? Are they doing the job in this area? Because again, since they're located in a number of our major cities—we have one in the city of Trenton—the question is are they bringing these services to the potential employee?

Mr. WEIDMAN. There is in most vet centers, as I'm sure you know, Mr. Smith, a DVOP stationed at least part time, and where that DVOP places the individual in the Veterans' Job Training Act slot, you have the supportive services already there. A lot of the difficulty is when that person gets placed by other means and is not seeing the vet center and there's no one who has picked up on the ancillary services that that individual needs, both prior to placement and once they're placed. It's the tracking subsequent to placement, both with the employer and the veteran employee, that is really key to success.

I think Mr. Clark testified this morning that if he hadn't had that support network, he probably would not have been able to make it in what is, in fact, a really high pressure business. I think as the chairman just noted, the National Veterans Training Institute, which is now really starting to provide the kind of substantive training that DVOPs and LVERs have will certainly help, and Secretary Shasteen deserves a lot of credit for the development. It's

liable to turn out to be the most important thing to happen in veterans employment and training in the last 20 years, and Don Shasteen deserves a great deal of credit for taking the bull by the horns and making it happen.

Mr. SMITH OF NEW JERSEY. One final question—and I do think I know the answer. Mr. Jones and Mr. Weidman have already indicated their support.

If I offered an amendment to expand it an additional year, in the interest of program continuity, would you support it, Mr. Moran?

Mr. MORAN. Yes.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. DOWDY. Thank you, Mr. Smith.

Mr. Kennedy.

Mr. KENNEDY. Mr. Weidman, essentially you have indicated there are, in fact, problems with the way the program is administered, and one of the things that has come out today is the fact that there are different people with different job skills that are entering this program. We have heard the fact that there were double the number eligible from an earlier panel, and I see here in the background and briefings that in January, 1983 there were over 883,000 Vietnam-era veterans who were looking for work. I think Mr. Jones or someone went through some of the statistics on, for instance, the differentials between blacks and whites and other categories.

I wonder, first of all, whether or not we ought not to be addressing this program to more specific groupings of individuals in order to get some notion of where the program works and where the program doesn't work, in terms of who the program is targeted to, number one, and number two, what kind of specific improvements you would like to see in terms of DOL's monitoring of the program. Should the contact be daily, weekly, monthly? What are you really trying to suggest that DOL or VA do differently than they're currently doing?

Mr. WEIDMAN. I'll take the second part of that first, if I may, Mr. Kennedy.

What we are suggesting is the VA and Department of Labor working agreement doesn't even work at the national level, much less at the local level, that there is relatively little contact, nor a predilection and a commitment on the part of VA to provide the supportive services. Overall, there has been no real policy on that. There has even been a difficulty in trying to get people "counseling", which VA is mandated to do under the Veterans' Job Training Act, where people have to wait up to 10 and 12 weeks to get an appointment for one 45-minute session with a Voc Rehab counselor. I mean, people just don't show up. It just doesn't happen. It's one of those things where "counseling delayed is counseling denied", if you will. There hasn't been that kind of commitment to provide the supportive services and the tracking services. It just, quite frankly, hasn't been put together; that's what we're suggesting, that that's what needs to be done.

Mr. KENNEDY. Can I just ask the chairman a question.

When we run into problems like this, what power do we have to be able to change it? I'm sorry. I'm just trying to figure out what we can do. I mean, if we've got a program and there are other

people who want to attack this program, suggesting that what we've got is a lot of "pork" here, that it is not really being an effective program, and then we've got individuals saying that the program could be effective if it was run well, it could be effective if it was targeted towards the correct people, how are we supposed to be able to actually make those improvements?

Mr. DOWDY. Through the legislation which will be coming through the committee in the coming weeks. Mr. Smith has spoken this morning about strengthening amendments that he may be offering. Also, I said, we intend to try to have several field hearings on the program to see how it works, and by doing that I think we do focus attention on the shortcomings.

Mr. KENNEDY. I appreciate the awareness factor. What I'm wondering is can you, in fact, get the changes. For instance, let's take that 10 to 12 week period of time that it takes for them to actually get into the system. Of course, if somebody told me I had an appointment 12 weeks from now, I don't know if I would make it. But the point is, we should shorten that period of time.

Let's say Mr. Smith would put an amendment into the legislation which says that DOL or VA must have that appointment within a 2-week period or something like that; then do they actually go out and do that?

Mr. SMITH OF NEW JERSEY. Obviously, that is something that could be offered, but very often those kinds of specifics are left to the promulgation of regulations.

But the beauty of this hearing, in answer to your first question—and I think the chairman certainly began to touch on that—is that it provides oversight and brings the VA before us, so that there's a sense of accountability. I think they benefit greatly from the insights provided by the field people, the people from Mississippi, the employers who were here, and the veterans' organizations.

I think Mr. Weidman hit the nail right on the head when he said we ought to have an oversight hearing every month. I think that goes for all the agencies of Government, and it goes for Members of Congress, too. By bringing the focus and the scrutiny on a particular program, you reveal its shortcomings and you also then make recommendations for reform.

I think your question should be posed to the VA representatives who are here today on the next panel.

Mr. KENNEDY. I wasn't going to get away from that. I was trying to make sure that something comes out of this when they come before us with these problems. I hope you understood that was my——

Mr. SMITH OF NEW JERSEY. Yes. I understand, being a member of this committee, and also of the Foreign Affairs Committee, that the accountability aspect is crucial. You know, with certain bureaucrats—and this is not to speak ill of the VA—but within the whole Federal bureaucracy, if they're not doing their job, it is up to us to make sure they do it and just keep it hands on until they do.

Mr. WEIDMAN. If I could just follow up on that, Mr. Kennedy, I think one of the reasons why we very much support Mr. Smith's amendment to extend this is that, once the Veterans' Administration and the Office of Management and Budget understand that the Congress is dead serious about the commitment on veterans

employment, and that it's going to be around, and that they're not going to, by their silence and nonleadership, be able to let the program die, then there are many folks who are going to be appearing before you here this morning—Don Shasteen, Bill Prince, from Labor, and Dr. Dennis Wyant from the VA—who do, in fact, want to do the job, who understand the Nation's responsibility, and who understand what can be done if they were allowed to do the job. They are being prevented from doing the job by others, by that "shadow government", government by scuttlebutt, if you will, over at the Office of Management and Budget.

The clear message needs to be sent from the Congress to OMB, that this is no way to run a railroad, much less the United States of America, in regards to its responsibilities to veterans, to help folks get back to living a productive life when they return from having defended this country.

Mr. KENNEDY. Well said, sir. Well said.

Mr. Jones, just one follow-up question.

With regard to the various groups, once you have broken it down into those various groupings, in terms of the terrible differentials, in terms of employment and the like, can we begin to target this program in dollars specifically for groups of individuals that are in greater need, to begin to help those people by providing additional dollars to those individuals that need more training, need more help and assistance, and less dollars to those who are perhaps slightly better off, whether physically, emotionally and mentally, or is that not a possibility given the Federal rules and regulatons, et cetera?

Mr. JONES. Sir, I would say, with your legislative powers, you definitely could target your moneys. However, I would submit that in the life of this program, the veterans service organizations have repeatedly stated what BLS finally published in clear-cut data. I would say the administration of the program, once that data became clear, should have been through their goals and objectives and started targeting that in the administration of the program, to send clear signals to that direct-service provider that, hey, we have problems in the minority community, that the minority veteran needs assistance, so let's get out there and find out what that problem is and let's provide them that employment training assistance.

Mr. KENNEDY. So that's something you think should be done locally?

Mr. JONES. Yes, sir. This is something we found—taking off my VFW hat and putting on the hat for the Committee of Disabled Veterans—this is something that we found in our community forums, that the program must be sufficiently flexible so that the service provider at the local level can apply it to meet his specific labor force needs.

Mr. KENNEDY. Thank you.

Thank you, Mr. Chairman.

Mr. DOWDY. Thank you, Mr. Kennedy.

We want to thank each of you for your attendance and your helpfulness this morning. Thank you.

Mr. WEIDMAN. Thank you, Mr. Chairman.

Mr. DOWDY. We have two remaining panels. I am going to exercise the prerogative to merge the two panels into one. We have

been talking all morning about a lack of communication between the Department of Labor and the Veterans' Administration, so let's bring them to the same table, and maybe that will improve the communications channels.

From the VA, Mr. Grady Horton, Deputy Chief Benefits Director for Program Management, accompanied by Dr. Dennis R. Wyant, Director of Vocational Rehabilitation and Education; and from the Department of Labor, the Honorable Donald E. Shasteen, Assistant Secretary of Labor for Veterans Employment and Training. We thank you gentlemen for your presence here this morning.

Secretary Shasteen, if you would introduce us to the gentleman who accompanies you.

Mr. SHASTEEN. Yes, Mr. Chairman. It is a privilege once again to be here and to bring with me this morning my Deputy, Mr. Bill Prince, to handle the hard questions.

Mr. DOWDY. All right.

Mr. Horton, we would ask that you proceed with your prepared statement, and then Mr. Shasteen.

STATEMENTS OF GRADY HORTON, DEPUTY CHIEF BENEFITS DIRECTOR FOR PROGRAM MANAGEMENT, ACCOMPANIED BY DENNIS R. WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND EDUCATION, VETERANS' ADMINISTRATION; HON. DONALD E. SHASTEEN, ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR, ACCOMPANIED BY WILLIAM PRINCE, DEPUTY ASSISTANT SECRETARY OF LABOR FOR VETERANS EMPLOYMENT AND TRAINING, U.S. DEPARTMENT OF LABOR

STATEMENT OF GRADY HORTON

Mr. HORTON. Thank you, Mr. Chairman. I have submitted for the record a longer statement.

I am pleased to be here today to share with you the views of the Veterans' Administration on a draft bill that would extend the Veterans' Job Training Act and authorize additional funding for this program. Specifically, the bill would extend the date before which an individual must initially apply for a program of job training to October 1, 1989. Also, under the terms of this proposal, the veteran would have to begin a program of job training before April 1, 1990. This measure would authorize additional funding of $30 million for fiscal year 1987, and $60 million for each of the fiscal years of 1988 and 1989, to remain available until September 30, 1991. Under the current legislation, veterans must apply by July 2, 1987, and must begin a program of job training by January 2, 1988.

The Centaur report has been completed and some highlights of that report are as follows:

Twenty percent of the trainees completed their training and were still employed by the training organization 16 months following completion of the training; 40 percent of veterans complete their training program; the ones that completed the training receive an hourly wage of $6.60 during training, and the average cost per participant was $3,000.

Has this program been successful? I believe that the evidence is mixed. Although the Centaur report shows a short-term effect on

earnings and employment for those who complete training, the dropout rate remains very high.

Since the enactment of the program in August, 1983, through February, 1987, 47,279 veterans have been placed in training positions through the VJTA. Just about $170 million has been obligated to the same date. Also through the same date, the number of employer applications that were approved stood at 70,839.

The not seasonally adjusted unemployment rate for February, 1987, for all veterans, stood at 5.5 percent; for nonveterans, it was 8.4 percent. Looking at more specific age categories, we find that for Vietnam-era veterans, 35 to 39, the unemployment rate is 5.3 percent, and in the 40 to 44 range it is 4.4 percent. For nonveterans in this range, the rate is 5.7 percent.

As indicated by these statistics, while there are unemployment problems among veterans, the worst problems are not being experienced by those Korean and Vietnam-era veterans, whom this bill was designed to help and has helped. In fact, the unemployment problem for the VJTA target category has substantially diminished. Since this is the case, we do not favor an extension of the VJTA.

Mr. Chairman, that concludes my statement. I would be pleased to answer questions.

[The prepared statement of R.J. Vogel, presented by Grady Horton, appears at p. 92.]

Mr. DOWDY. Thank you, Mr. Horton.

Mr. Shasteen.

STATEMENT OF DONALD E. SHASTEEN

Mr. SHASTEEN. Mr. Chairman, if it would please the committee, I would prefer to submit my testimony for the record. It follows much the same line that the VA testimony does. I would like to summarize just a little bit.

First of all, this has been a cooperative effort between the VA and the Department of Labor, and it has been my impression—and I've been involved with it, as has Dr. Wyant, from the beginning—that we have achieved a much higher degree of cooperation as a result of this program than ever existed before. That doesn't mean all the problems are solved, but it has brought us together in a working relationship that requires our people in the field to be plugged into the VA, not just to an office, but to people with the VA.

I think many of us are disappointed with the amount of counseling that we have been able to provide, both through the Employment Service, where our people work, and through the VA. Counseling is one of the items that in our surveys in the field we find is very desperately needed if we're going to improve that completion rate. That low completion rate of 40 percent certainly has been a disappointment to us, to me as well as all our people in the field. We have been analyzing that and we are following up to intensify that case management approach, which Secretary Brock originally proposed and which this body, in its wisdom, wrote into the last extension of this Veterans' Job Training Act.

I would also point out that we think we should be able to achieve a higher completion rate when we compare it with, for example, Titles IIA and III of the Job Training Partnership Act, where the placement rate runs somewhere in the neighborhood of two-thirds or 66 or 67 percent.

We also think that some good has been accomplished by this program that doesn't show up in the numbers. I'm referring to the fact, for example, that our own field force reports to us, our State directors of veterans employment training report to us every 2 weeks on the placements made in the program. Usually there is a lag of several weeks between the time that the veteran is actually placed on the job and all the paperwork is completed and is counted in the VA's figures. And also there is some slippage. Once in a while the placement sticks but the employer simply decides not to send the paperwork in and get his reimbursement, which is the employer's choice.

We also find that our figures probably run a little bit higher because some of the placements are terminated before the paperwork actually goes through. We want to look at that, too. So we are concerned and we have our tenacles out and we're trying to figure out how we can do a better job in the event that this Act is extended.

With that, Mr. Chairman, I would welcome the opportunity to answer any questions.

[The prepared statement of Hon. Donald Shasteen appears at p. 97.]

Mr. DOWDY. Thank you, Mr. Shasteen.

Mr. Horton, on the first panel of witnesses this morning we heard from one employer who cited a specific example of one of the employees whose certification required 90 days. I believe he said most of them were taking generally that amount of time.

What is your policy regarding the certification procedure? Should it take 90 days for a veteran to be certified? What information can you tell the committee about the average time of certification in the program?

Mr. HORTON. Mr. Chairman, our standard for internal processing time is 7 working days, and we try to meet that. There are a number of reasons why that may not happen in an individual case, and there are also workload variations between our various regional offices. I don't have before me statistics on what our average is at this time. We can submit those for the record, Mr. Chairman.

I would say that on one of our national hotlines a few days ago, we brought to the attention of our field stations the importance of trying to improve timeliness in that area.

Mr. DOWDY. Have any studies been done on what the average certification time is?

Mr. HORTON. Yes, sir. We will submit that for the record.

[Subsequently, the Veterans' Administration provided the following analysis:]

An analysis of claims processing timeleness was conducted by the VJTA evaluation contractor, Centaur Associates, Inc.. A sample of 3 percent of veterans who had applied for and received a certificate of eligibility between 1983 and 1987 was analyzed. The average (mean) processing time of this sample was 26.4 days from the date the application was received until the certificate of eligibility was issued.

CLAIMS PROCESSING TIMELINESS

Year	Number of Cases	Days (Mean)	Days (Median)
1983	577	33.4	21
1984	3,335	26.5	15
1985	769	27.6	16
1986	2,121	24.3	16
1987	52	8.9	8
Total	6,854	26.4	16

Mr. DOWDY. I disagree with a statement that has been made in the prepared testimony, that the VJTA program is no longer needed. Let me ask Mr. Horton and Dr. Wyant, are you familiar with the BLS study regarding service-connected veterans, disabled veterans, and combat theater veterans, which indicates their unemployment rates are extraordinarily high in comparison with other segments of the population? Are you familiar with that study?

Mr. WYANT. Yes, sir.

Mr. DOWDY. Would not the fact that we've got a study saying that these types of service-connected disabled veterans and combat theater veterans, their unemployment rates being so much higher than the population at large, wouldn't this, in and of itself, indicate that we need a program like VJTA?

How can you discount these studies that point to the disproportionately high unemployment figures for these categories of veterans?

Mr. WYANT. That's a difficult question. I know what the administration's answer is, but I haven't testified in front of you and I don't know which way I'm supposed to roll my eyes when I answer.

Mr. DOWDY. Well, what are your personal thoughts on that?

Mr. WYANT. Well, the disabled veterans would also be eligible for the chapter 31 Vocational Rehabilitation Program, in addition to the Veterans' Job Training Act. At this very moment we're addressing nearly 50,000 personalized letters to disabled veterans who were certified under the Veterans' Job Training Act and trying to get them in, because of the BLS study and because of their potential eligibility for training under that program as well as for chapter 31 employment assistance. The latter would be in addition to the Veterans' Job Training Act.

In the area of the combat theater vet, for those who are certified—and there are about 24,000 out there today with active certifications—they do want to go to work. They have been out of work and they are job ready and they need to go to work.

Mr. DOWDY. Most of the other witnesses have talked this morning about what they perceive to be a lack of communication between the two agencies represented at the witness table. Several of the witnesses talked about the Treasury Department action on recommitted funds. This committee did not hear about this situation on the recommitted funds until the end of December, and one of our staff members heard about it from an official of one of the veterans' organizations.

Can you defend this type of communication?

Mr. SHASTEEN. Mr. Chairman, are you referring to communication between the Veterans' Administration and the Department of Labor?

Mr. DOWDY. Yes, sir.

Mr. SHASTEEN. From what I understand about the situation, I know we learned about it and we were surprised about it. We think that the VA was also surprised about it because I think it was an unexpected ruling by Treasury that cut us short of the amount of money that we thought was still in the pot, so to speak, to be allocated in this program.

Mr. DOWDY. When did you hear about the ruling from the Treasury Department?

Mr. SHASTEEN. I didn't hear it from the Treasury. I heard it from the VA, and I think I heard it, if I recall correctly, towards the end of December.

Mr. DOWDY. Toward the end of December?

Mr. SHASTEEN. Yes, it was at the same time that——

Mr. DOWDY. All right. Let me ask the VA, then. When did you receive the Treasury Department ruling?

Mr. WYANT. In the morning, the same morning that Mr. Shasteen heard about it. He heard about it in the afternoon from us, and we heard about it that morning.

Mr. DOWDY. And you received no notification at any prior time from the Treasury Department?

Mr. WYANT. That was—Now, part of that may be laying on my shovel because I was new to the job and that could have happened in that transition period there. But the moment I heard about it, I did transmit that informaton to the Department of Labor.

Mr. DOWDY. We have since learned that your comptroller's office was notified by the Treasury Department as early as the middle of last summer. Have you looked into it enough to see whether or not that is, in fact, the truth?

Mr. WYANT. There was a lot of communication. I think they even tried to get some legislative remedy or relief to that in one of the supplementals and were not successful in that area. As I look back, yes, I think we could have taken a more aggressive role at the VA in this, and we didn't.

Mr. DOWDY. Thank you.

Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman. I do have a few questions.

Mr. Chairman, I have had some concerns about the completion rates, which have been spoken of often during this hearing. Sometimes I'm not sure if you can compare rates for different groups, and perhaps our witnesses can give us some added insight here.

What is the completion rate of the nonservice-connected disabled veteran and the service-connected disabled veteran?

Mr. SHASTEEN. In this program, I don't have that information with me, Mr. Smith.

Mr. PRINCE. I don't know that we have the information broken down as to whether they are service connected or not. It's just certified eligibles in the Veterans Job Training Act.

Mr. SMITH OF NEW JERSEY. The reason I ask is because, if there is a difference, it may be indicative of some of the special needs that the service-connected disabled veteran has.

What is the length of time, under the Job Partnership Training Act, that the training must be provided? It's my understanding that it's 9 months for nonservice-connected under the veterans program and 15 months for the nonservice-connected under VJTA. What's the time limit? Again, in drawing comparisons, if there are different time lines that are utilized, you'll get a different result.

Mr. SHASTEEN. And there are different time lines. In the Job Training Partnership Act it varies. I believe that 6 months is usually the minimum, but for this program, the VA made an exception and has allowed training programs to be for as short a period of time as 3 months. Certainly the maximum by law is 9 months, except for disabled veterans, when it is 15 months. But the training under JTPA would vary widely, more widely than that.

Mr. SMITH OF NEW JERSEY. So again, the comparisons could really be a distortion——

Mr. SHASTEEN. That's correct.

Mr. SMITH OF NEW JERSEY [Continuing]. Because of the different amounts of time. You know, if somebody's under training for 2 months, it's a lot different than going the full 9 months.

I just raise this to urge caution on the part of all of us, members of the committee and others alike, in saying this program has so many fewer people who make it and a very high dropout rate. It could be because of the longer duration. I think any additional information you could provide us certainly would be appreciated for the record.

You point out in your testimony, Mr. Horton, that the average cost per participant is $3,000. What is the average cost per participant under the Job Training Partnership Act?

Mr. Shasteen, do you have that?

Mr. SHASTEEN. I do not have that figure. I didn't come prepared to discuss the Job Training Partnership Act. I do have some salary figures that I did not use that might be of interest to your committee. If you want the average cost per trainee, we will get that information for you and supply it for the record.

But the average salary for veterans who complete training under Title IIA is $5.44 per hour, and the average for veterans who complete training in Title III is $7.05 per hour. So under VJTA, at an average of $6.60 per hour, you can see that, with reference to the wage rate at the end of the training, we're right in the ballpark.

Mr. SMITH OF NEW JERSEY. Assuming that the VJTA is authorized, could you gentlemen tell us how we could improve the program?

Mr. HORTON. I beg your pardon?

Mr. SMITH OF NEW JERSEY. Assuming that the VJTA is authorized—and I think that's a pretty fair bet, although the amount of money is still up in the air—can you make any recommendations for improving the program?

Mr. HORTON. I think that this program could be improved in a number of ways. While I do not agree with a lot of the comments made by Rick Weidman, I think it is true that it took us a long time to get started, and the way the appropriations have come at

this program in spurts, and stops and starts, has made the program very difficult to administer. I personally, as administrator of the program, would like to see that mechanism changed, so that we knew the money was there and we spent it until it was gone and then we stopped.

The obligation and reobligation in all of this is quite different than any other program we administer. We generally have—as one of the other witnesses talked about this morning—an entitlement program where the money is there, it's known, and we make the payments from it. This program is difficult to administer because of that, and it is somewhat less successful for that reason. I think there is an unknown out there that keeps coming up from time to time.

Mr. SMITH OF NEW JERSEY. Could you venture for the record, from a personal point of view, whether or not 3 years would be substantially better than 2 years, as to the authorization?

Mr. HORTON. From a personal standpoint, yes.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. PRINCE. Mr. Smith, I would like to respond in regards to the Department of Labor and its role in outreach and counseling specifically. We heard earlier this morning that the program could be improved and, through the case management system, we're committed to intensify our efforts through the case management concept. As you have already heard, at our National Veterans Training Institute in Denver, we are taking steps that we think will improve the ability of the LVERs and DVOPs to better track, once an individual is placed in this program, and to offer the kinds of support services that are necessary, to ensure that the completion rate, if this program is extended, does go up.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. Shasteen?

Mr. SHASTEEN. Well, I was just going to say that we can always use more outreach to both veterans and employers. I think at about the time that we learned the Treasury had told the VA that the money had run out, we were just getting ready to make another push through our field force with a video tape presentation that we felt would bring more employers as well as more veterans into the system. Well, we sort of put that on hold because the money was practically gone at that time.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. DOWDY. Mr. Kennedy.

Mr. KENNEDY. Thank you, Mr. Chairman.

Mr. Horton, are you in agreement with this program? Do you believe this program should be phased out and that, in fact, we need a larger employment program that would, in fact, replace this program?

Mr. HORTON. That is the position of the administration, that this program has served its purpose and that it is not a cost-effective program.

Mr. KENNEDY. Do you share that view?

Mr. HORTON. Do I personally share that view?

Mr. KENNEDY. Yes, sir.

Mr. HORTON. Well, I speak for the administration in this case, Mr. Kennedy.

Mr. KENNEDY. I'm asking you whether or not you personally share that view?

Mr. HORTON. Well, I personally feel that it has placed veterans in jobs and it is the only job program that the Veterans' Administration has and admnisters, yes, sir. To that extent, it has been successful.

Mr. KENNEDY. Along those lines, it would appear to me that what we've heard today is an indication that the program has had many difficulties, but that those difficulties, with some further diligence on the part of the administrators of the program, could in fact work. Obviously, you sit up here and try to figure out how we're going to shift the program into a billion dollar program to serve everybody, then aren't the veterans just going to be lost in the wash?

Mr. HORTON. Well, I guess the Department of Labor made some commitments that the veterans wouldn't get lost in the wash.

Mr. KENNEDY. If he's going to put it on you, that's fine.

(Laughter.)

Mr. SHASTEEN. Mr. Kennedy, you're talking about the Worker Readjustment Assistance Program, which is part of the administration's competitiveness package.

Mr. KENNEDY. Yes, it's competitive.

Mr. SHASTEEN. It is not veteran-specific. It is not targeted at any particular group, except displaced workers. We know that 26 percent of the displaced workers are veterans. Now, the Job Training Partnership Act, Title III, which the Worker Readjustment Assistance Program would replace, also is not veteran-specific. Our studies show, the best information we can get, shows that about 21 percent of the enrollees in Title III are veterans. So there is a slippage of about 5 percentage points there.

At the present time, the way we propose to address that, is through our system. We have told our people in the field, our State directors, our assistant State directors—we have them in every State—the disabled veteran outreach program specialists, the LVERs that we fund through the State employment security agencies, we have said plug into those local service delivery areas and get veterans into those jobs. Get veterans on the local private industry councils on the State coordinating councils. Those programs are being run by the State and the private industry councils. That is where the action is.

Our people in the field, and the veterans' organizations in the field, are in a position to push to get more veterans into those programs. That's the way we address it now.

Mr. KENNEDY. You're telling us now that you're doing the best job that you can, given the fact that this program, according to the administration, is going to be phased out. What you have got is a program that takes 10 to 12 weeks, as I understand—and maybe you'll disagree with that time frame, Mr. Horton—10 to 12 weeks to get an appointment, and we're going to then be shifting out of that and making these efforts—which all sound fine and good up here. But it just seems to me the veterans are the people who are going to lose in this. I can't believe you don't believe the same thing, Mr. Shasteen.

Mr. SHASTEEN. The lag period that you're talking about is not nationwide. There are many places in the country where in an emergency, if a veteran is out of work and needs a job that day, and he's got an employer, we can get them certified and put on the job the same day by picking up the telephone and calling his contact in the VA. That's what we're training them to do.

Obviously, that isn't happening in Virginia, and we're going to find out why it isn't happening in Virginia. But that system should be working there as well as it is in other parts of the country.

Mr. HORTON. Mr. Kennedy, the 10 to 12 week time that we were talking about there was the time that it takes to see a VA counselor, which is not a necessary requisite of the program.

Mr. KENNEDY. My goodness, if it's not a necessary requisite of the program, and you've got a 60 percent dropout rate—I mean, what are we going to do here?

Mr. HORTON. Well, the point was that you do not have to have counseling in order to get in the program.

Mr. KENNEDY. Just to get the benefits of it.

Mr. HORTON. Yes. You know, we were being told that we need to do more of this, and I agree. We will have to do better than that, and 6 to 12 weeks is not a normal thing for counseling across the country.

But the bottom line to all of this is money and resources. It takes——

Mr. KENNEDY. Excuse me, Mr. Horton. The bottom line to all of this is whether or not we're going to treat our veterans fairly. The bottom line to all of this is whether or not you can get people to stand up here and defend the United States of America, and then they come back and go through the kind of devastation, particularly what the Vietnam guys have gone through, and they can't get the kind of employment and training that this country ought to provide. That's the message of this administration. That's the message they've given you.

Mr. WYANT. Mr. Kennedy, could I just elaborate on that area, because you're focusing on an area that I think is very crucial to the success of this program.

The counselors who provide that job counseling are the same counselors who provide the service to the service-connected disabled veterans. The average time now, which has been provided here to the committee, is 92 days, 92 working days, from the time that a person applies until he has his first counseling appointment. That's for the service-connected program, not this program.

If we can reprioritize, we can make a new priority and give the VJTA higher priority on this counseling and decrease that. But it will be at the expense, then, of the service-connected disabled veteran.

Mr. KENNEDY. What I'm saying, sir—and what we don't need to be doing is playing one poor group of individuals off against another. What we ought to be doing is facing up to the fact that there are a bunch of individuals out there that were willing to give their lives for this country, who come back and are being treated with 92-day delays. That's just outrageous.

Mr. WYANT. You're absolutely correct.

Mr. PRINCE. Mr. Kennedy, may I respond?

I think it's important to remember here that the figure does talk about the VA counselors. What we have just testified to is we are attempting to strengthen the counseling arm for those individuals that the Department of Labor has in the field, so that counseling could be obtained from the Department of Labor and the veterans employment and training specialists that are in the local jobs offices, where these other veterans may not have to go to the VA for counseling; they can do it at the local office, and we're providing the training to see that that happens in the future.

Mr. KENNEDY. As I say, I don't question the fact that you're trying your best. But what I am suggesting is the notion of rolling this program into a much larger program, when this program is currently being run so poorly, is about as absurd an idea as I've heard yet. So I just can't disagree strongly enough.

Mr. SMITH OF NEW JERSEY. Would the chairman yield?

Mr. DOWDY. I would be happy to, Mr. Smith.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

I was wondering if the panel could tell us if staffing is adequate. I know in dealing with the VA and all the various bureaucracies, there are always too many cases and too few personnel to handle it. The 90-day delay would certainly suggest that.

How many more people would you need to do the job right, and especially how many more people would you need to fit in with the parameters of the $30 million for fiscal year 1987, and the $60 million thereafter, as contemplated in the bill?

Mr. HORTON. Mr. Smith, there is no staffing provided in our budget submission, since the VJTA is not part of our budget submission. So whatever staffing it would take would be in addition to, or else it would have to be done within the resources that we have.

Mr. SHASTEEN. Mr. Smith, with reference to the Department of Labor, I think as you're aware, we have never received any administrative expense whatsoever to implement this program; we did not ask for it and we are not asking for it now. We do have the delivery system—we're providing it free of charge in this program. It is a tool that our approximately 1,900 disabled veteran outreach specialists and 1,400 local veterans employment representatives can use to help veterans who come into that employment service system to get jobs.

That is the delivery system for VJT. We are not asking for any more funding. We are training our people to do more of the kind of counseling that will prevent these terminations that we're so concerned about, and also to comply with the provision in the law that was put in the last time, that there must be a contact at least once every 30 days by the local DVOP or LVER or other representative of the local job service office, counselor, if that's what is needed, with both the veteran who's on the job and with the employer, to make sure that things are working out all right.

Mr. SMITH OF NEW JERSEY. Thank you.

Mr. DOWDY. I want to, in closing, thank Mr. Shasteen for your training initiative in Denver. When was this started?

Mr. SHASTEEN. We started it, Mr. Chairman, the first week in December. We had two trial runs in December, and we put the finishing touches on it the first week in January, or about the second

week in January. By the fourth week in January we had it refined and underway.

I think last week we had three classes going at one time. That has been the largest number at one time. But it took us about three 1-week sessions to bring our people in from around the country to really tailor this program to do what we want it to do.

Mr. DOWDY. Why did you decide this program was needed or desirable?

Mr. SHASTEEN. We found so much diversity in the way that services were being provided, as mandated by Title 38, from Maine to Texas, from Florida to Washington, that we felt we needed to get everybody together and develop sort of a uniform approach that we could put in place in every State.

In doing that, we learned that the networking that takes place once these people get to the conference, get to the training site, has provided a lot of new ideas that are spreading out over the country. It has been very effective, just by getting them together. But I would be glad to provide the committee, if you would like, with the entire training program, the curriculum for it. But it means that when this is finished we will have everybody singing out of the same hymm book, if you will. We will have the local managers of the offices, who are the supervisors of the DVOPs and LVERs—they're not funded by us, but we are asking the States to send them through this training program so that they understand what Title 38 mandates that those LVERs and DVOPs shall do in providing priority services to veterans as required by this Congress.

Mr. DOWDY. Thank you very much, Mr. Horton, Dr. Wyant, for your participation, and also Secretary Shasteen, for being present this morning. We want to thank all of the witnesses who appeared before the subcommittee this morning for their particiption.

The markup on H.R. 1504 is scheduled, Mr. Smith, I believe for next Thursday. Then we will pursue the matter of field hearings thereafter.

We stand adjourned.

[Whereupon, at 12:20 p.m., the subcommittee was adjourned.]

APPENDIX

100TH CONGRESS
1ST SESSION

H. R. 1504

To amend the Veterans' Job Training Act.

IN THE HOUSE OF REPRESENTATIVES

MARCH 10, 1987

Mr. DOWDY of Mississippi (for himself, Mr. SMITH of New Jersey, Mr. MONTGOMERY, Mr. SOLOMON, Mrs. PATTERSON, Mr. WYLIE, Mr. JONTZ, Mr. RIDGE, Mr. EVANS, Mr. DORNAN of California, Ms. KAPTUR, Mr. STENHOLM, Mr. KENNEDY, Mr. LEATH of Texas, Mr. LANTOS, Mr. KOLBE, and Mr. DERRICK) introduced the following bill; which was referred to the Committee on Veterans' Affairs

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A BILL

To amend the Veterans' Job Training Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TIME PERIODS FOR APPLICATION AND INITIATION OF TRAINING.

Section 17 of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended to read as follows:

"TIME PERIODS FOR APPLICATION AND INITIATION OF TRAINING

"SEC. 17. Assistance may not be paid to an employer under this Act—

(1) on behalf of a veteran who initially applies for a program of job training under this Act after September 30, 1989; or

(2) for any such program which begins after March 30, 1990.".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 16 of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended—

(1) by striking out "and" the second place it appears in the first sentence and inserting in lieu thereof a comma;

(2) by inserting after "1986" in the first sentence the following: ", $30,000,000 for fiscal year 1987, and $60,000,000 for each of the fiscal years 1988 and 1989"; and

(3) by striking out "1988" in the second sentence and inserting in lieu thereof "1991".

SUMMARY OF MAJOR FEATURES OF THE

VETERANS JOB TRAINING ACT

I. Purpose - to address the problem of severe and continuing unemployment among veterans by providing, in the form of payments to defray the costs of training, incentives to employers to hire and train veterans of the Vietnam Era and veterans of the Korean Conflict who have been unemployed for long periods of time.

II. Eligibility

A. Korean conflict or Vietnam Era veterans.

B. Must have been unemployed for 10 of the last 15 weeks prior to application for participation.

C. Discharge other than dishonorable.

III. Authorizes On-the-Job Training

A. Training must be in stable and permanent positions involving significant training.

B. Payments made to employers to partially defray the cost of training. Amount paid to employers limited to 50 percent of the veteran's starting wage up to a maximum reimbursement of $10,000.

C. Payments made on behalf of service-connected disabled veterans up to 15 months - 9 months for nondisabled veterans.

D. Training programs must generally last at least 6 months.

E. Under current law, veterans must apply for certification for participation by July 2, 1987, and must be on the job by January 2, 1988.

F. Payments are generally made to employers quarterly - small businesses can arrange to be paid monthly.

IV. Agency Responsibilities

A. Veterans Administration

1. VA has primary responsibility for administering the program.

2. Veteran and employer applications for participation are submitted to the VA for approval.

3. Payments to employers are made by the VA.

4. Outreach to veterans is primarily a VA responsibility.

5. VA may, upon request, provide employment counseling services to veterans eligible to participate in VJTA.

B. Department of Labor

1. DOL has primary responsibility for promoting the development of employment and job training opportunities.

2. Outreach to employers is primarily a DOL responsibility.

3. Job matching is primarily a DOL responsibility.

4. DOL is required to provide a program under which at least monthly contact is maintained with each veteran employed under VJTA, referring the veteran to appropriate counseling if necessary and facilitating the veteran's successful completion of the program.

5. DOL is also required to provide, after consultation with the VA, a program of counseling services designed to resolve difficulties that may be encountered by veterans during their training and advise all veterans and employers of the availability of these and other related counseling services and assistance.

V. Funding - VJTA is funded by the VA. Although Congress has authorized $365 million for the program, only $185 million has been appropriated since establishment of the program in 1983. VJTA is now nearly out of money.

VI. Participation - as of May 11, 1987

A. 47,279 veterans placed in jobs.

B. $174,201,410.00 had been committed.

C. 168,122 job slots approved.

D. 71,738 employer applications approved for participation.

E. 477,909 veteran applications approved. (Veteran certifications must be renewed after 90 days, so this number does not represent individual veterans. Many may have been certified more than once.)

BACKGROUND AND ISSUES

A major priority of the Subcommittee on Education, Training and Employment during the first session of the 98th Congress was the development of a program to assist the hundreds of thousands of veterans who were unemployed. In January 1983, over 883,000 Vietnam era veterans were looking for work. Following hearings, the Congressman Marvin Leath, then chairman of the Subcommittee, and

Congressman Jerry Solomon, then ranking minority member of the Subcommittee, introduced legislation establishing an on-the-job training program for long-term unemployed veterans. On August 15, 1983, Public Law 98-77, the Emergency Veterans' Job Training Act of 1983, was signed into law.

The original legislation authorizing the Emergency Veterans' Job Training Act (EVJTA) specified that application to the program must be made by veterans no later than November 29, 1984, and that participation in training must begin no later than March 1, 1985. The original legislation has been extended and amended several times. The preceding program outline describes the present program. Changes made in the initial legislation include the elimination of the word "Emergency" from the program title. Additionally, the period of unemployment necessary to qualify for participation was reduced to 10 of the 15 weeks prior to application for participation. Additionally, the deadline for application for participation is now July 2, 1987, and training must begin by January 2, 1988.

VJTA got off to a slow start. Veterans' interest and response was very high but employer participation was disappointingly low the first year. Following hearings, employer outreach improved considerably, as promised by the Department of Labor and the Veterans Administration.

The primary concerns currently are funding, the adequacy of support services, and the placement rate. Although Congress has authorized a total of $365 million for VJTA, only $185 million has been appropriated. As a result, the program is now nearly out of money. The Committee authorized $30 million for FY 87, $60 million for FY 88, and $60 million for FY 89 in the budget recently approved. These are the same amounts authorized in H.R. 1504. The start/stop funding causes severe disruption, confusing and annoying both veterans and employers.

Additionally, early in the year we found that the Treasury Department had informally ruled that approximately $8 million, which had been committed but never expended because some veterans did not complete their training programs, would not be returned to the program after September 30, 1986. Following a Committee inquiry pointing out that the money should be available at least through September 30, 1987, Treasury replied that they were in error and the money should be available to VJTA. As of Monday, March 16, 1987, the VA had not been contacted by Treasury and the funds had not been released. We want to know what the problem is and when the funds will be available to the VA.

A continuing concern regarding VJTA has been the rather high percentage of participants not completing their training program. In the final evaluation of the program done by Centaur Associates, they indicated that 60% of participants do not complete their course of training. Of these, 25% leave to accept other jobs, 25% are dissatisfied with their training, 30-40% are laid off or fired, and the rest leave due to personal reasons such as health problems. The Subcommittee would like to know if supportive services, such as

counseling, are being rendered as intended by the Congress.

Finally, the Subcommittee is disappointed that the placement rate of veterans is not higher. Long-term unemployed individuals are more difficult to place, but DOL should make every effort to place as many job-ready veterans as possible. Estimates done by the Department of Labor show that 26% of the dislocated worker population are veterans. These are individuals with work experience who should be prime targets of VJTA and fairly easily placed.

All the major veterans' organizations support H.R. 1504 and the continuation of the Veterans Job Training Act.

March, 1987

TESTIMONY
by
MARK D. MOSELEY
before
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEE ON EMPLOYMENT AND TRAINING

March 18, 1987

Mr. Chairman, members of the Subcommittee, I am Mark Moseley, President of Mark Moseley Travel. I am here today to testify in support of HR 1504, a bill to extend the Veterans Job Training Act.

I speak from my own experience as an employer. I have with me today two Veterans who are current employees with our agency. Mr. Paul Lieberman, a Vietnam Veteran, was hired to help us establish a Veterans training program, and has been with the agency for over two and a half years. Mr. Jack Clark, also a Vietnam Veteran and president of the local Chapter of Vietnam Veterans of America, was hired under the Veterans Job Training Act and has been with the agency for just under one year.

Our agency has hired four other Veterans under the Job Training Act: one moved on to another career after completing the training, another had to resign to devote full time to the care of her children, one relocated to another state, and the fourth, of whom I'll say more, resigned because of service-related medical problems.

Like many employers of my generation, I have a special admiration for Vietnam Veterans, for both the experiences they survived in this country's most unpopular war and the contributions they continue to make in the workplace and in the community. I have found Veterans to be dedicated, hardworking employees who handle themselves well in difficult situations.

I believe that employment is an essential part of the readjustment process for our Veterans, as important as medical or psychological assistance, if the Veteran is to be fully reintegrated into society. I believe that Veterans want only a helping hand, not a handout; that they want, and many desperately need even after all these years, job training that will enable them to be fully self-supporting.

Also like many employers, I would be pleased to have the opportunity to hire more Veterans under the Veterans Job Training Program. From my experience, however, the Program, and more importantly Veterans who might benefit from it, have suffered

from a number of administrative problems that have made it overly difficult for employers to participate in this Program.

For example, when Mr. Clark was hired, it took over 90 days from the time of his application to the Veterans Administration to the time of his certification. Both he and we were fortunate enough to be able to wait until certification was received. In the vast majority of cases, however, 90 days is much too long a time to wait, both for the Veteran in need of a job and for the employer who needs to fill a job.

Moreover, I have been informed by the Virginia Employment Commission that, although the Program continues through July of 1988, no funds are currently available. I understand that, as a result, a number of Veterans who applied for certification as long ago as January, with approved training jobs in hand, could not be hired under the Program. Meanwhile, a number of employers in the Washington area have expressed a firm commitment to hire Veterans under the Program but are unable to do so because of the lack of funds.

As an employer, I have seen the difficulties created by a job training program that is not integrated with other assistance programs. In the case I alluded to earlier, a valued employee, a double amputee, had to resign his training job with our agency because of the difficulty he had in getting from the Veterans Administration artificial legs that fit.

This is but one example of how the Veterans Job Training Act has been poorly administered. In order to work, a job training program must be part of a well-conceived effort to help the whole person. Potential trainees should receive pre-employment counseling to determine the kinds of jobs they are most suited for. During their training, this counseling should continue, so that, if the job proves to be unsuitable, other training opportunities can be pursued. For some period of time after training has been completed, follow-up study should be done to quantify success or failure of the Program, so that others entering the Program can benefit from improvements that may be deemed necessary.

The delays in certification approval and the uncertainty of funding availability do a disservice to the employer and the potential employee alike. In the past, our agency explored the possibility of establishing on on-going travel agent trainee program in cooperation with several of the major airlines. This effort was abandoned, in part, because we could not predict that funding would be available over the expected life of the program to justify the time and money required to put the program in place. If we could be certain that funds under the Veterans Job Training Act would continue until a certain expiration date

established by Congress, we would be eager to develop a training program, using our own offices and computers after normal work hours, so that Veterans currently underemployed as well as those unemployed could prepare for a career in the travel industry.

Thank you for the opportunity to share my experience with the Veterans Job Training Program, and my hopes for its continuation. I trust that those of you on this Subcommittee share my admiration for our Vietnam Veterans, and that you are willing to demonstrate by your vote to extend the Job Training Program that Abraham Lincoln's commitment of this nation to care for its Veterans continues.

TESTIMONY BEFORE

THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

HOUSE VETERANS AFFAIRS COMMITTEE

Jack Radtke, President

Urban Revitalization America, Inc.

March 18, 1987

Mister Chairman:

It is my pleasure this morning to appear before the Subcommittee on Education, Training and Employment of the House Veterans Affairs Committee to discuss our initiatives and the proposed amendments to the Veterans Job Training Act, outlined in HR 1504.

Urban Revitalization America, Inc., was founded eleven years ago to develop joint venture residential rehabilitation community revitalization projects linking the U.S. Department of Labor, Veterans Administration and Department of Housing & Urban Development, along with a growing number of concerned and committed representatives of the private sector. In addition to those sources, contributing to the newly invigorated structure of our future programs will be diverse community organizations, local and nationally recognized reality firms, city and state governments and prominent home improvement companies from throughout the nation.

We believe Mr. Chairman, that our projects, combining these very unique features have succeeded in providing affordable housing, a catalyst for future economic community development and a viable workforce, re-trained as experts in residential rehabilitation with sufficient skills to ensure long-term employment opportunities. Over the past decade, Urban Revitalization, Inc., has completed over ten thousand residential rehabilitation projects in the center cities of Detroit, Pittsburgh and Nashville and the more rural areas of Monroe, Michigan and Lowell, Massachusetts. In providing job training skills to nearly a thousand women and men, URI has completed structural renovations on both single and multi-family homes, schools and community centers for our youth and the elderly. In the course of our projects, URI has provided training in a whole range of skill areas to guarantee that individual the best opportunity to utilize their abilities in a permanent position in the workforce.

We are proud Mr. Chairman, that our program has continually created the most cooperative working environments between local governments, citizen groups, [illegible] and labor and union representatives, insuring an exceedingly high

placement rate of our trainee graduates. URI records from follow-up studies indicate that during our decade long experience throughout the country, nearly 90% of our graduates were placed and are working in full-time positions after completing our training program.

The accomplishments of this program would not have been possible without the generous assistance of the Veterans Administration and the Department of Labor job training assistance. In our over fifteen projects, Urban Revitalization Inc, has been the recipient of considerable assistance through the Veterans Job Training Act and the Comprehensive Employment Training Act, now re-structured into JPTA. These funds have been indispensible in providing the re-training for hundreds of displaced veterans in the workforce, who might not have been particularly well-suited by skill for work in the vogue "high tech" areas, but are motivated and dependable for their commitment to work in the areas of housing rehabilitation and energy conservation. After our lengthy training effort, which includes screening, testing, instruction both in the classroom setting and 'on-the-job', the veteran has received both the practice and experience to begin work as a general rehabilitation contractor, supervisor of construction crews, a specific trade apprentice or product salespeople.

In addition, it is worth emphasizing to the Committee, that these very critical funds have aided URI in yet another fashion---leveraging the very important financial assistance, in both an in-kind and cash contribution mode from the numerous corporations who have supported our efforts. The commitment of substantial federal funds for job training, reflecting our nations' interest in putting our veterans back to work provides an important message to businesses throughout the country about the importance of aiding these endeavors. Urban Revitalization Inc., has been fortunate to receive assistance from such corporations as General Motors, Dayton-Hudson, Dow Chemical, Johns Manville and Alcoa, to name a few to help sustain our program. Most recently we have been discussing expansion of these efforts with the Meredith Corporation, Carrington Financial and the Wickes Corporation, who are considering what positive role they can play in our upcoming programs in Chicago, St. Louis, Las Vegas, Toledo and Carrollton, Georgia.
In short, Mr. Chairman and members of the Committee, these funds have been absolutely essential in the development of our program and the participation of the private sector in its growth. Urban Revitalization Inc., enthusiastically [illegible] and [illegible] additional $150 million [illegible] the Veterans Job Training Act.

In summarizing Mr. Chairman, let me note what a pleasure it has been for both URI and those from the corporate and non-profit community who have supported our projects, to work with the Veterans Administration and our nations' veterans in this effort. As Americans, we have too often come to expect that the defense of our country comes with almost no price to pay. This countries veterans have given valiantly with their lives, their health, their famillies and their own careers in wars all too tragic for us to want to recall, and most recently, in Vietnam, far too difficult to explain or defend. In each instance they have served their responsibility to defend our ideals, often to return to a country to pre-occupied with our own concerns to provide them with the ability to make an orderly and healthy transition back into the mainstream of society.

Fortunately, Mr. Chairman, some of us are able to make even the most limited contribution in that direction. We strongly believe that if our government has the power to send our men and women off to war, we can assuredly find the time and resources to put them back to work. Urban Revitalization Inc., appreciates this unique opportunity to address our program and this very fundamental issue of Veterans Job Training before the Subcommittee, and would be pleased to answer any questions that will assist the Committee in their consideration of the legislation and the amendments that have been proposed.

TESTIMONY
OF
THOMAS H. DYSON
EXECUTIVE DIRECTOR
MISSISSIPPI EMPLOYMENT SECURITY COMMISSION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING, AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
U. S. HOUSE OF REPRESENTATIVES

MARCH 18, 1987

Mr. Chairman, members of the Committee, my name is Thomas H. Dyson. I am Executive Director of the Mississippi Employment Security Commission.

Accompanying me today is Mr. Robert H. Morgan, Employment Service Director, Mississippi Employment Security Commission.

We appreciate the opportunity to appear before you today to share the impact of the Veterans' Job Training Program in Mississippi, and to make certain recommendations concerning the program.

Considering the economic conditions and the size of Mississippi, the Veterans' Job Training Program has had a very positive impact on services to veterans in our State. Since the beginning of the program, we have had 424 different employers certified. These certifications represented 772 available training positions in which 340 veterans were placed, with an average starting wage of $5.37 per hour. This represented more than 2.8 million dollars approved with over 1.3 million dollars, or 46% obligated. The other training positions were not filled due to various reasons, with the main ones being changes in employer needs or an inability to locate suitable, qualified veterans. In addition, we had one large employer certified for 435 training positions representing over 1.4 million dollars. Due to a delay in start-up operations, these positions were never filled. This would have doubled the impact of the Veterans' Job Training Program in Mississippi.

Based on our experience with the program, we would make certain recommendations for your consideration. We would recommend that the program be reinstated. Adequate funds should be included for publicizing the program at the beginning. Before, funding for publicity was not available until halfway through the program. Funding should be provided to allow the program to operate continually throughout the period authorized by Congress. When any program is allowed to end and then has to be restarted, it is more like a new program, and publicity is needed for each start-up period.

We would also recommend that efforts be made to shorten the time required to approve an individual veteran for a training position. Once an employer is certified, any long delays in certifying veterans to fill the positions tends to lead to many positions never being filled.

Our final recommendation is that consideration be given to establishing a 90 to 120-day time limit in which an employer must fill training positions after certification. If positions were unfilled at the end of the time limit, funds could be deobligated and used for other employers. This would lend itself to a more efficient and effective use of available funds.

Mr. Chairman, that concludes my prepared statement. Please accept my written statement as part of the record. We would be pleased to respond to any questions that you may have.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

DENNIS K. RHOADES, DIRECTOR
NATIONAL ECONOMIC COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

on

REAUTHORIZATION OF THE EMERGENCY VETERANS JOB TRAINING ACT

on

March 18, 1987

STATEMENT

of

DENNIS K. RHOADES, DIRECTOR
NATIONAL ECONOMIC COMMISSSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.

March 18, 1987

Mr. Chairman, The American Legion is once again pleased and grateful for the opportunity to appear before this subcommitte to discuss the future of the Veterans Job Training Act (VJTA).

I would also like to convey to you the personal congratulations and greetings of our National Commander, Mr. James P. Dean, upon your appointment as chairman of this subcommitttee. Commander Dean, as you know, is himself from the state of Mississippi, and has a longstanding concern with unemployment and job opportunities for our veterans. We are thus particularly pleased to be here this morning to work with you on VJTA, and look forward to assisting you as the subcommittee addresses the education, training and employment needs of our Nation's veterans in the future.

Mr. Chairman, The American Legion is encouraged by the request of the Committee on Veterans Affairs to the Budget Committee for $60 million for VJTA in FY 88, in anticipation of a proposed two-year program reauthorization. We also applaud your intention to request an additional $30 million supplemental appropriation to carry VJTA through the end of the present fiscal year .

This subcommittee has had a longstanding investment in the Veterans Job Training Act. In fact, VJTA was first created under the leadership of one of your distinguished predecessors, Mr. Marvin Leath. As with most job programs, VJTA has gone through an extended period of development over the past three years, as the employer community has become aware of the program and gained confidence in it. The Targeted Jobs Tax Credit program had a similar developmental phase and is now very popular among employers, as evidenced by the estimated one million applications which were submitted during the program's shutdown last year. Thus, VJTA's gradual growth is typical of employment programs which rely completely on the participation and good will of the private sector.

We are also encouraged by the program's results. Clearly, VJTA is having a significant impact upon the labor market participation and resultant income of those veterans who have gone through training under the program. Last year's supplementary evaluation of VJTA by Centaur Associates, Inc. clearly confirms that the program has "produced statistically significant positive impacts upon the employment rates and earnings levels of participating veterans in the short-run and the long-run."

Mr. Chairman, The American Legion is on record, through a resolution passed by our 68th National Convention in Cincinnati, Ohio in 1986, to advocate and support efforts to extend the Veterans Job Training Act through December of 1991, at a funding level of $75 million per year. Yearly extensions and underfunding have lengthened the time it has taken to develop the confidence of employers and to refine program operations. While the present two-year extension under consideration by the subcommittee is encouraging, as we indicated before, we nonetheless believe that a three-year extension would enable the program to develop better jobs through fine-tuning of job training development techniques by Local Veterans Employment Representatives (LVERs), Disabled Veterans Outreach Program (DVOP) personnel, and other employment service staff. Moreover, having watched the acceleration of VJTA's labor market penetration during the last six months of the past year, $60 million per year may not be adequate to support program operations over an entire year. We recommend that the subcommittee examine the program's funding obligation history between June and December of 1986 to avoid the embarrassment and program disruption which results from exhaustion of resources, such as we are currently witnessing.

Apart from funding considerations which will be addressed in any reauthorization, The American Legion would like to share with you our perspective on program eligibility. First, we wish to reaffirm our support of the present eligibility standards which require a veteran to be out of work for ten out of the past 15 weeks immediately prior to application. Under these requirements, it is clear that VJTA is approving nearly ten times as many eligibles as it has job training openings. Moreover, we believe that lowering eligibility requirements would expose the program to charges of "creaming." While we have heard such charges before, they are hardly credible, in our view, in a program which serves veterans who have had to have been unemployed for ten out of fifteen weeks, since such veterans are, in fact, experiencing significant employment problems.

Having said that, Mr. Chairman, we do believe that this subcommittee ought to consider targetting, and waiving the eligibility requirements for one particular class of jobless veterans: the dislocated worker. As you know, there is major concern over the problem of worker dislocation, which has been growing since 1979. The Department of Labor's Bureau of Labor Statistics (BLS) defines dislocated (or displaced) workers as persons who lose their jobs owing to plant closings, slack work, or abolishment of positions or jobs, and who have had significant (at least three years) attachment to their former positions. At least one million workers are currently experiencing job displacement each year, and BLS reports that 26 percent of these workers are veterans. In evaluating this figure, one must keepin mind that veterans constitute 13 to 16 percent of the total labor force. This means that the proportion of veterans who are displaced workers is nearly twice their incidence in the labor force. Quite clearly, veterans have been disproportionately affected by the layoffs and plant closings and by farm losses which are occurring at alarming rates, particularly in the midwest. Most studies (including the December 1986 report of the Task Force on Economic Adjustment and Worker Dislocation, chaired by former Under Secretary of Labor, Malcolm Lovell) indicate that early intervention with a dislocated worker helps to prevent serious economic problems for that worker and his family. We believe, therefore, that, by waiving the unemployment criterion for the displaced veteran worker, VJTA could make a substantial positive impact on the lives of these veterans. We would like to work with you and your staff to assure that capability.

Mr. Chairman, The Amerian Legion would like to discuss one final matter which we believe needs the subcommittee's attention. The quick exhaustion of new funding for VJTA earlier this year, coupled with the Treasury Department's determination last summer that obligated monies appropriated for VJTA during FY 83 could not be reobligated, has pointed to significant deficiencies in the communications between the Veterans Administration and the Department of Labor. The VA, for example, did not advise the Labor Department of the reobligation problem until mid-December of 1986. In fact, the VA advised no one outside of OMB, and elected instead to remain silent until the last possible moment. Moreover, it was also not until mid-December, scarcely two weeks before all VJTA funding was exhausted, that Labor learned of the imminent shutdown of the program. We believe that this lack of communication and inattention to the progress of the program is inexcusable. As you know, the VA administers the funding and eligibility determination elements of VJTA. The Labor Department, however, recruits both veterans and employers. With LVERs, DVOPs and other employment service staff aggressively developing VJTA job training openings in the private sector, why hadn't the VA and Department of Labor developed a phasedown plan for the program to avoid compromising its credibility with employers? There are unquestionably many employers, once willing to participate in VJTA, who now believe that it is just another veterans' program which cannot deliver what it promises..

In our view, the two agencies should have agreed early in the program that once a certain remaining dollar level was reached - $10 million, for example, - an orderly phase down of program operations would be set into motion, sufficient to obligate the remaining funds, but avoiding overcommitment to employers desiring to participate.

Mr. Chairman, we believe that Congress should make explicit its intention that future operation of the program should entail better planning and closer coordination between the agencies. Although reasonable people might expect that the VA and Department of Labor to have been chastened and to have learned a lesson from this debacle, The American Legion will be monitoring their planning and operational activities much more closely hence forward.

Mr. Chairman, once again, we thank you for the opportunity to be here. We also add our thanks to Chairman Montgomery for his assistance in helping the Treasury Department to release the 1983 VJTA funds for reobligation.

74-657 O - 87 - 4

STATEMENT OF

JAMES G. BOURIE

NATIONAL SERVICE DIRECTOR

AMVETS

BEFORE THE

VETERANS AFFAIRS COMMITTEE

SUBCOMMITTEE ON EMPLOYMENT & TRAINING

U.S. HOUSE OF REPRESENTATIVES

ON THE

VETERANS JOB TRAINING ACT

MARCH 18, 1987

Mr. Chairman, the American Veterans of World War II, Korea and Vietnam (AMVETS) appreciates this opportunity to appear today to express its views of the Veterans Job Training Act (VJTA) and to support the program's re-authorization.

Indeed, AMVETS unequivocally supports the continuation of the VJTA and is very disappointed that the Veterans Administration, with really no prior notification, allowed it to just expire. The veteran community, quite naturally, felt confused and somewhat betrayed that without prior notification of any kind the VA notified the Office of Assistant Secretary for Veterans Employment and Training that the VJTA was finished. We, of course, realized that the program was unpopular at OMB and within certain circles of the VA as needless and unnecessary in light of decreasing official BLS statistics on veterans unemployment rates and ever mounting federal deficits.

But for the moment Mr. Chairman let us center on the program itself. We have found it an extremely popular veterans employment and training program that actually places eligible veterans in jobs. It is, or was, the only veteran employment and training program administered by either the VA or the Office of Assistant Secretary for Veterans Employment and Training that placed veterans directly in jobs in wholesale numbers. The program's popularity and ease of administration combined to place thousands of veterans on career paths.

AMVETS certainly believes in giving credit where it is due. And we compliment the VA, its Division of Veterans Benefits and the Office of Assistant Secretary for Employment and Training for jointly administering the VJTA. Their cooperation and ability to achieve a common goal speaks highly of the leadership and their respective departments and agencies. Not only was the program well administered, it had minimal bureaucratic hassles attached. A potential employer could get an eligible veteran hired in little time.

AMVETS knows the truth to that statement as it has hired eight National Service Officers under the VJTP and would hire more should the program continue. Certainly AMVETS does indeed put its money where its mouth is and challenges other Veteran Service Organizations to follow its example. We hasten to add that all eight are still National Service Officers with excellent records of employment, all being Vietnam Era, four with service-connected injuries and two female veterans.

Since its inception as the Emergency Jobs Training Act, and later the Veterans Job Training Act, it has placed over 50,000 eligible veterans in jobs and over 70,000 employers have been approved. We would be the first, however, to caution that the program is not perfect. There are problems: such as high turnover of jobs; non-career opportunities; low percentage of disabled veterans involved; and too great an emphasis on veterans who are "job ready" to make the numbers look good. Also, that the "hard core" unemployed, and the disabled were at great disadvantage; and that of over 160,000 job slots approved, not half were filled.

We must also strive to eliminate the "start, stop" aspect of the program. We need program continuity, a definite future. We cannot have the VA, the Department of Labor, the State Employment Security Agencies, and especially employers and veterans alike "gear up" only to be told--no funds, no program. There reaction will be quite predictable, and we really could not blame them.

Mr. Chairman, not withstanding those problems, the VJTP remains a worthwhile program that should be continued at least two or three more years. We are not out of the woods on veterans employment regardless of official statistics. Employment is still a significant issue for the veteran community, but certainly one that does not capture the imagination and initiative of many.

We mentioned earlier about where the VJTP fits in in the overall veterans employment and training scheme and how important it was. Indeed, it may have been the cornerstone because as we critically review employment and training programs for veterans, those that actually train and place veterans, the VJTA is, or was, the only one. There are no programs like the VJTP under title IVC of the Job Training Act; no veteran programs under titles II and III; the VocRehab and Education programs of the VA are limited to statutory eligibility. In short, the VJTP was the only veteran program which gave unemployed veterans any measure of hope. And we cannot, must not, remove that hope if there is one veteran we can help.

Mr. Chairman, AMVETS thanks you for this opportunity to express its views.

STATEMENT OF
RONALD W. DRACH
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS AFFAIRS
March 18, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than one million members of the Disabled American Veterans and its Ladies' Auxiliary, I would like to take this opportunity to thank you for allowing us to appear before you today to discuss draft legislation which would extend the Veterans Job Training Act (VJTA) and authorize additional funding for the program.

Mr. Chairman, we are pleased to advise you that we are in total support of the draft bill and hope that it can be introduced and acted on quickly. We believe time is of the essence.

Virtually everyone agrees that VJTA should be extended except the Reagan Administration, which has never supported the program.

To those critics and skeptics we quote from the September 24, 1986, Supplementary Report submitted to the Veterans Administration from Centaur Associates which, in one paragraph, sums up the need for, and the merits of, VJTA:

> VJTA has produced statistically significant positive impacts upon the employment rates and the earnings levels of participating veterans in the short-run and in the long-run. These positive impacts experienced by participants are shared, in different ways, by both the completer and drop out subgroups.

There are also obvious financial returns to the Treasury which offset the initial outlays. Centaur reports that, "During the follow up year, participants experienced a reduction of about $250 in their level of public assistance." Approximately 50,000 veterans have benefited from VJTA. On that average reduction we realize $12,500,000 per annum in public assistance savings alone.

Using 1985 as a base year, the report shows that participants averaged $11,800 per annum in wages for 1985 and this resulted in $41,595,000 paid into the Social Security Trust Fund. Using the same base, these individuals will have paid approximately $77,779,000 in federal income taxes. Between public assistance savings, Social Security and income taxes, the Treasury gains almost $132 million.

We believe it is time the Administration stopped looking at this program as a drain on the budget and recognize it for what it is -- a way to increase revenues and put veterans back to work. These figures do not even take into account the local taxes or return to the economy in other terms.

This Subcommittee and, particularly, former Chairman Daschle, should be commended for designing a program that puts veterans back to work with the least amount of bureaucratic paperwork. According to the Centaur study, employers participate in VJTA because they like it for the lack of "red tape." We believe the following observations of the final

report of the Emergency Veterans Job Training Program is worthy of your attention.

It is obvious that lag time exists in the program. Ninety-five percent of the EVJTA participants entered training within the first nine months of application. If this is average, then the justification would certainly exist to have a separate deadline for enrollment in the program that differs from an application deadline.

It is interesting to note that the study indicates that "younger" veterans were more likely to be selected for participation in EVJTA than older veterans. It is also pointed out that the average age for participants is 40 years old. This certainly coincides with the approximate average age of Vietnam Era veterans.

Other characteristics indicate that the participants are more likely to be white, better educated and with recent employment experience. If this is the target population, then, indeed, EVJTA has served well. However, if we want to focus more on the disadvantaged and long-term unemployed veterans, then re-emphasis must be stated to serve that population.

We were pleased to note that veterans with service-connected disabilities, particularly those with disabilities rated at 30% or above, participated in EVJTA in higher proportions than their representation among the certified eligibles. However, we are extremely concerned that less than one-third (32%) completed their training.

Some definite questions arise when you discuss the issue of those who drop out of the program. According to the study, about 17% of the drop outs left their training positions voluntarily to accept a better job. This, of course, is a very positive termination. Approximately 40% of the drop outs were terminated involuntarily. Thirty-two percent of them indicated that the training experience had not met their expectations. This raises the question of the appropriateness of the pre-employment counseling and advice given to the participants. This could, and should, be better controlled.

Employers reported that approximately 75% of the involuntary terminations were for unsatisfactory performance. However, veterans reported just the opposite. Their responses indicate that approximately 75% of the involuntary terminations were layoffs. We believe further investigation into this matter is warranted. We also believe that additional protections against layoffs need to be made. Certainly, some employers would be faced with unanticipated layoffs, but it is generally inconceivable that such high numbers would not be able to forecast layoff situations. Better efforts should be made prior to employer approval to assure that declining industries or financially troubled companies are not approved.

Employers reported that the training cost reimbursement provided the most powerful incentive to apply for approval of a training program under EVJTA. Most participating employers reported that they would have hired those veterans even if no training cost reimbursement had been available. However, their responses do not address the likelihood that an employer would not have identified and hired the veterans without the program.

About one-third of non-participating approved employers offered to employ a veteran under EVJTA, but the offer was turned down by the veteran. About two-thirds made no offers to hire a veteran under EVJTA.

Employers had strongly favorable impressions of EVJTA whether or not they hired a veteran in their training program.

Few employers reported being burdened by the required paperwork and processing procedures. Participating employers reported a relatively short period for reimbursement of their training costs. Overwhelmingly, participating employers indicated that they would hire another veteran under EVJTA if they had an opening.

Mr. Chairman, we are concerned that something needs to be done about the disabled and minority veteran participation. According to the information available, about 40% of non-disabled participants complete their training. Thirty-six percent with disability ratings of 10% or 20% complete training and only 32% of those with disability ratings of 30% or more complete their training. As already indicated, blacks do not participate as often as whites and those who do participate are less likely to complete their training than those in other racial/ethnic categories. Only 30% of black participants complete training. Only 19% of the participants are black.

There are other tangible reasons to justify a program such as VJTA. On average, program participants earned $310 per week, compared to $277 per week for non-participants employed in other jobs. Participants who complete their training earn approximately $86 per week more than non-participants. This, coupled with the earlier information relative to the return to the economy, certainly justifies this program.

A summary of Centaur findings follows:

* the program has been well-managed

* the program has tended to select the most employable among the certified veterans for program participation

* Centaur estimates that the completion rate for the program is 44% and the drop out rate is 56%

* participants had significantly higher earnings per week than non-participants

* employers were generally favorable in their assessments of the program;

* it is estimated that the direct cost of training is approximately $3,000 per participant.

Mr. Chairman, we believe that Centaur findings more than justify a continuation of this program. While the program is not without its problems, we believe most of those problems can be addressed administratively.

While VA and Department of Labor generally receive good marks for their cooperation, additional efforts need to be made by the two agencies to provide in-depth screening and counseling prior to referral. The veteran should be made well aware of the type of job and the duties involved. To the extent possible, the employer should outline any career ladder before employment is offered.

Additional efforts need to be made to match the job opening with individuals who have the interest, aptitude and ability to complete training.

Increased outreach efforts must be undertaken to reach disabled veterans and black veterans. Intensive services need to be provided to these two groups to better assure a high level of success.

Perhaps the Subcommittee needs to define the population intended to be served most effectively. Thus far, VJTA and its predecessor EVJTA has served primarily younger, better educated veterans who have relatively short period of employment. If we wish to attempt to address the needs of chronically long-term unemployed veterans, this needs to be stated. The DAV certainly supports this approach since the program is no longer seen as "an emergency."

The only legislative change we recommend is to make VJTA an entitlement program to continue until December 31, 1991. We pick that date, Mr. Chairman, because according to Title 38, U.S. Code, as of December 31, 1991, Vietnam Era veterans will no longer exist for purposes of Chapter 41, Title 38, U.S. Code.

That concludes my statement and I will be happy to answer any questions.

NATIONAL CAPITAL OFFICE
219 N. Washington Street • Alexandria, VA 22314 • Tele: (703) 549-0311

THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

"STRENGTH IN UNITY"

STATEMENT OF

RICHARD W. JOHNSON
Director of Legislative Affairs

before the

Subcommittee on Education, Training and Employment
Committee on Veterans Affairs
U.S. House of Representatives

on

VJTA Extension

March 18, 1987

The Non Commissioned Officers Association of the USA (NCOA) is grateful for this opportunity to appear before the committee in support of legislation to extend and authorize funding for the Veterans' Job Training Act (VJTA). As many members of the committee may know, NCOA has been deeply involved in the post service employment of veterans. Since the early 1970's the association has operated its Veterans Employment Assistance program hosting Job Fairs about twenty times each year in major cities in the continental United States, Europe and Hawaii. There are over 100 regularly participating companies involved in NCOA's Job Fair program seeking to hire, train, and educate the veteran and separating servicemember. NCOA also operates a resume referral service to assist in the employment needs of veterans who are unable to participate in a Job Fair. Participation in NCOA's Veterans' Employment Assistance program is free to all honorably discharged veterans and separating service personnel without regard to rank or membership in NCOA. In addition to operating its own post service employment program NCOA is a member of the President's Committee on Employment of the Handicapped and has participated in many other groups and efforts to operate successful government sponsored employment programs dating back to CETA and HIRE.

These efforts are obviously a source of pride for the association but they are also a foundation for NCOA's first observation. It is the association's belief that the single greatest deficit in all veterans' employment efforts has been a lack of certainty about the future and funding of almost every jobs program since CETA. The problem is both acute and recurrent. Lack of timely reauthorization and/or funding has adversely affected Small Business Administration programs, Veterans' Readjustment Appointment authority, Disabled Veterans' Outreach Program, Targeted Jobs Tax Credits, Job Training Partnership Act (JTPA), and numerous other programs over the past ten years.

NCOA, as a result, is extremely grateful for, and highly supportive of the chairman's legislation which will extend the Veterans' Job Training Act through 1991 and authorize funding of the proposal through fiscal year 1989. The association is hopeful that the Appropriations Committees will be more responsive to funding the program at the authorized level than they have been historically.

Since the program was first established as the Emergency Veterans' Job Training Act in 1983, it has served more than 50,000 long term unemployed veterans. More than 25,000 have successfully completed training or have become gainfully employed as a result of VJTA. The average earnings of trainees tops $6.60 per hour, a significantly higher rate of compensation than is averaged under JTPA.

Notwithstanding its success however, there are also some deficiencies in the program. First, efforts must be made to improve the 40 percent training completion rate. Actually, since nearly 15 percent of trainees leave the program to accept better positions, the failure rate is really about 45 percent. NCOA commends the Veterans' Employment and Training Service (VETS) for the efforts that have already been undertaken to provide improvement in this area. The "case manager" system developed by VETS has shown success but it can be more successful if greater counselling efforts are made to keep the veteran in training. Additional staffing and requiring reports on these initiatives would, in the opinion of NCOA, enhance completion rates significantly.

The second area of concern NCOA has pertains to the limited

scope of eligibility for training under the program. By law only Vietnam and Korean Era veterans are eligible for VJTA. However, there are many more veterans who would benefit from participation. The Senate has under consideration an expansion proposal to include homeless veterans. Others are considering the inclusion of dislocated workers who are veterans. NCOA is in favor of including a much broader group of veterans, particularly retired military veterans in need of transition assistance to civilian careers and recently separated veterans, another group in need of transition assistance that is already specially targeted by JTPA. NCOA would also reduce the unemployment qualification requirements from 10 of 15 weeks to 5 of 10 weeks in an effort to reduce the impact of unemployment on these groups. While NCOA understands the desire to target hardcore unemployed by requiring participants to have been unemployed for 10 of 15 weeks, and while the association understands the requirement has already been relaxed from an original 15 of 20 weeks, NCOA believes it would be wiser and more cost effective over the long term to assist veterans earlier. The simple logic is that a veteran in need of retraining after 15 weeks of unemployment probably needed retraining at ten weeks.

Finally, NCOA would encourage the committee to take a careful look at VETS staffing. Frankly, NCOA does not believe the personnel resources of VETS is sufficient to implement and monitor VJTA and all the other programs the agency is obliged to operate. That is evidenced by the wide disparity of success rates in placements under various programs. In one area where VJTA was having marginal success, an employment service spokesman told NCOA they simply did not have time to devote to the program. He confided that most of the job development accomplished in VJTA had been done by a few certified participants who were industrious enough to help themselves. Moreover, the staffing deficiencies are obviated by poor enforcement in mandatory job listings and other programs.

In summary NCOA is pleased to offer its support for the legislation now under consideration. The association also offers suggestions to expand Veterans' Employment and Training Service staffing; to expand eligibility for VJTA to include targeted groups of military retirees, recently separated veterans, dislocated veteran workers and homeless veterans; and, finally NCOA urges Congress to consider suggestions to improve training completion rates under VJTA. The association also takes this opportunity to extend its thanks to the committee and the sponsors of the legislation for the continued support of veterans' employment programs.

Thank you.

PARALYZED VETERANS
OF AMERICA

Forty Years of Service
1947-1987

STATEMENT OF

BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

OF THE

HOUSE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING THE

VETERANS' JOB TRAINING ACT

H.R. 1504

MARCH 18, 1987

Mr. Chairman and Members of the Subcommittee, on behalf of the members of Paralyzed Veterans of America, I want to thank you for this opportunity to present our views regarding the Veterans' Job Training Act (VJTA); I am Bob Moran, PVA Associate Legislative Director.

At the outset, PVA would like to commend you, Representative Dowdy as Chairman of the Subcommittee, for introducing H.R. 1504 and for holding this hearing. Additionally, we wish to further compliment you and each individual Member of the Subcommittee, for cosponsoring this bill, and for your efforts to examine, evaluate, and improve this program which is of importance to our nation's veterans.

The importance of a viable veteran employment program, if placed in proper perspective as a critical part of the overall well-being of one's life, can, and should be viewed as the pinnacle of the veteran's health-care continuum. Jobs are important in an individual's self perception. If a veteran does not have a vocation, a job, this event can and often does give rise to various health maladies that can accompany the sometimes lowered self-esteem that goes hand-in-hand with one's unemployed condition.

We cannot deny the fact that, in our society, even as welfare-oriented as some may have us believe we have become, we still place a very high value on the work ethic - that each person should, to the best of his or her own personal ability, perform certain duties and/or activities that lead to the betterment of themselves, their family, and society in general. Most of us, from the time we are born, have a work-related responsibility to ourselves, to our loved ones, and to the country in which we were born. A veteran, more than most Americans, knows full well this fact of life.

And now to the business at hand, PVA wholeheartedly supports the bill introduced by you Mr. Chairman, H.R. 1504, legislation which would extend and authorize additional funding for the VJTA. As you know, the VJTA came into being as a result of Public Law 98-77, enacted in 1983, in response to very high veteran unemployment that existed at that time.

From the information that has been compiled over the course of the program, and despite its slow start, the VJTA program has been responsible for the issuance of Certificates of Eligibility to over 460,000 veterans, and over

70,000 employers have had training programs certified as acceptable, which constitutes a potential market of over 164,000 new jobs for veterans.

The Veterans Administration and the Department of Labor have shared joint responsibility for the implementation of this program, and both agencies agree that the VJTA has been a very successful endeavor. To date, over 52,000 veterans have been successfully matched to prospective employers. PVA believes that the VJTA is beginning to fulfill, to its potential, the promise of successfully placing veterans into government-supported, employer-conducted, work training programs. And, as the statistics demonstrate, work training programs such as the VJTA is leading veterans into full-time employment positions.

In conclusion, Mr. Chairman, the goal of the VJTA is to address the problem of severe and continuing unemployment among certain groups of veterans by providing payments to defray the cost of training to employers who hire and train these veterans. The VJTA has done just that, having assisted over 52,000 long-term unemployed veterans into returning back to work. Additionally, veterans who are employed under VJTA immediately become tax payers, not tax users, thus benefitting all Americans. The VJTA program should be extended and again I would like to commend you Mr. Chairman and each Member of the Subcommittee for your interest and concern for such a most worthwhile program.

This concludes my statement and I would be glad to respond to any questions that you might have. Thank you.

STATEMENT OF

GORDON R. THORSON, SPECIAL ASSISTANT
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

WITH RESPECT TO

EXTENSION OF THE VETERANS' JOB TRAINING ACT (VJTA)

WASHINGTON, D. C. MARCH 18, 1987

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

Thank you for inviting the Veterans of Foreign Wars of the United States to testify on the Veterans' Job Training Act, and to present our views on the extension and possible expansion of this valuable employment program. I'm very pleased to have this opportunity to express the viewpoint of the 2.7 million men and women that make up our proud organization.

In order to facilitate the work of this committee, I will come directly to the point of this hearing. Your letter of invitation asked us to: 1.) Present the views of our organization regarding an extension of this valuable employment program (VJTA) and 2.) Include any recommendations for making VJTA even more effective.

The VFW has closely monitored VJTA from its very beginnings in 1983. Our staff reports that this program has been very successful and is responsible for the retraining and reemployment of over 52,000 unemployed veterans. It should be noted that a significant percentage of those who actually start in the program, complete their retraining and become reemployed. Is this program a success? The Vietnam and Korean-era veterans who regained employment because of VJTA think it is successful, and so does the VFW. Should the program be extended and refunded? Certainly. VJTA is the only veterans employment and training program remaining on the books and, most importantly, VJTA is a proven success at providing a much needed service. The VFW maintains that this program should be fully funded, extended and even expanded as needed to help ensure that the veterans of this nation are given the opportunities they fought so hard to preserve.

During our most recent National Convention held in Minneapolis, Minnesota, the attending delegates passed a resolution specifically addressing VJTA. We invite your attention to the attached Resolution No. 634 entitled "Veterans' Job Training Act," and please note that our membership clearly believes that certain improvements should be made. Therefore, we offer the following suggestions that should ultimately improve the existing program:

Suggestion Number 1.)

Improve the monitoring of participants by increasing the case management involvement. We suggest that VJTA could enjoy an even greater success rate if additional effort was directed toward improving "hands on" supervision of participants.

It is estimated that approximately 2/3 of those participants who drop-out of VJTA do so within their first three months of training. In reviewing both the voluntary and involuntary termination statistics provided in the recent Centaur Report, it becomes increasingly obvious that regardless of the type of termination, program drop-outs left because of poor performance, emotional difficulties, absenteeism or dissatisfaction with the type of work.

The Department of Labor has attempted to institute a whole person concept, whereas a case manager is assigned for every veteran placed in VJTA to assist the veteran or employer in resolving any problems or obstacles that may prevent fulfillment of the training agreement. The case manager concept to date has had little significant impact on the drop-out rate. Mainly because the LVER (Local Veteran Employment Representative) and DVOPS (Disabled Veterans Outreach Program Specialist),

who normally would bear the responsibility for implementing a case manager program, are becoming increasingly restricted in their out-of-office activities. This comes as a result of conflicting priorities, proposed staff reductions, and implementations of other programs.

To further compound the case managers problem OMB (Office of Management and Budget) restricts VETS (Veterans Employment Training Service) from developing a monitoring/reporting system. The Veterans Administration and the Secretary of Labor are tasked in Section 14 and Section 15(2)(c)(1) of Public Law 98-77 to provide counseling and to make available in regional and local offices of the Veterans Administration and the Department of Labor such personnel as are necessary to facilitate the effective implementation of this act. The Veterans of Foreign Wars recognizes that though the Vietnam Veteran Outreach Center and Vocational Rehabilitation counselors are presently understaffed, therein lie the professionals who can assist both the employer and the veteran in resolving those difficulties identified as contributing to the failure rate. It is our contention that the Veterans Administration, utilizing the interagency agreement with the Deparment of Labor, could develop such a system to the benefit of the Korean and Vietnam-era veterans who participate in this program.

Suggestion Number 2.)

Increased efforts should be made to displace the skepticisim often demonstrated by major employers. VJTA is a good program and it is surprisingly easy for employers to participate. Outreach efforts should be expanded to promote employer awareness and dispel any misconceptions.

The majority of employers state that the job performance of veteran participants in the Veterans Job Training Act range between good and excellent. An overwhelming majority of employers favor the continuation of the Veterans Job Training Act, and favor the direct training cost reimbursement that is offered by this program. They find the paperwork is not burdensome. Overall, this program is rated by employers as being extremely successful. Yet, we find medium to large employers reluctant to participate in the Veterans Job Training Act, as a result of the fear of government interference and red tape. The Department of Labor could publicize the comments of employers who have had successes with the Veterans Job Training Act to help dispel these fears.

Suggestion Number 3.)

Change eligibility criteria to reduce the period of unemployment needed to enroll and also allow veteran workers "soon to be dislocated" the opportunity to participate. We believe that early intervention with recently dislocated veterans is the key to continued success. The sooner the unemployed are allowed retraining, the better their chances of returning to a productive role in society.

The Department of Labor generally accepts that 26 percent of our nation's displaced workers are veterans. Data released by the Bureau of Labor Statistics reflects the employment status of displaced workers of veteran status as of January 1986 and clearly indicates veterans of the Vietnam-era and the Korean-era represent the largest segment of displaced workers who are veterans. A significant number of these veterans are dropping out of the labor force. We believe that the Job Training Partnership Act hasn't successfully provided services to these veterans, and since the Veterans Job Training Act is the only specific veteran employment and training program available, it should be modified to allow for the early identification of veteran workers about to enter into dislocated worker status and provide a mechanism for early intervention in the unemployment cycle. These individuals must not be lost to the labor force. Specifically for this category of veteran, we believe that a reduction of the 10-weeks unemployment eligibility criteria to five weeks is appropriate. Also note that the Department of Labor in recent legislative proposals to address dislocated workers, overlooked language that would include veterans.

Suggestion Number 4.)

Extend the initial applications and training deadlines through 1991, and provide adequate funding to allow all efforts called for under VJTA.

A major difficulty with the Veterans Job Training Act has been its on-again, off-again status. The program has demonstrated that it is successful in providing employment and training to our country's veterans. We believe this program should be extended through the mandated priority of service period for Vietnam-era veterans which is December 31, 1991; and that it be adequately funded.

We cannot allow the on-again, off-again nature of this program to destroy its long-term merits and credibility. Employers and veterans are becoming increasingly disgruntled over the uncertainty of the continuation of this program. The Administrator of Veterans Affairs and Secretary of Labor must review current regulations to determine their appropriateness, in view of past program experiences. The 100th Congress has an opportunity to resolve this concern.

Mr. Chairman, I believe this answers the initial questions advanced by your Subcommittee; however, if you have further questions or if the VFW can be of further assistance, we stand ready. Thank you

Vietnam Veterans of America, Inc
2001 S St., NW
Suite 700
Washington, DC 20009-1125

(202) 332-2700

STATEMENT OF

MICHAEL R. LEAVECK

LEGISLATIVE DIRECTOR

VIETNAM VETERANS OF AMERICA

HEARINGS ON H.R. 1504

BEFORE THE SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT,

THE COMMITTEE ON VETERANS AFFAIRS

OF THE HOUSE OF REPRESENTATIVES

MARCH 18, 1987

Mr. Chairman, members of the Subcommittee, Vietnam Veterans of America (VVA), is pleased to be here today to address you in regard to legislation to extend and modify the Veterans Job Training Act, known as HR 1504.

Vietnam Veterans of America views this very valuable employment and training incentives program as one which already contains provisions which make it an extremely valuable program that targets resources appropriately, based on need. It is not a program for anyone who ever wore a uniform, nor is it an open ended benefit to be used however and whenever a veteran wishes. When implemented properly it is a program for wartime and disabled veterans who are experiencing significant difficulties in securing gainful employment.

In recent years we have seen significant data come to light which shows that Vietnam theatre and disabled veterans are still experiencing unemployment and underemployment problems to a significantly greater degree than either their non-veteran counterparts or veterans who are non-disabled and who served in places other than Vietnam. In 1985 the Department of Labor's own Bureau of Labor Statistics released data which verified this same picture which was first presented by the Center for Community Economics and the American Legion studies.

Today, the VA's storefront counseling centers, the Vet Centers, are still reporting that 40% of the veterans seeking help from that program are experiencing employment difficulties.

The essential point is that employment is a vital component of readjustment for veterans. The Federal Government acknowleged that fact and acted in good faith on its commitment to veterans returning from World War II. This commitment was also largely, but not wholly, fulfilled for veterans returning from Korea.

However, the Federal Government, and in particular the Veterans Administration, has never fully acknowleged that employment is a valid and inextricably important element in assisting war veterans to achieve full readjustment to a productive role in civilian society for those returning from Vietnam.

The hour is late, but there is still time to make such a

commitment to Vietnam theatre and disabled veterans. As important is the commitment to this principle for those who may come after us.

CURRENT PROGRAM

To date, over 50,000 disabled Vietnam Era and Korean Era veterans have been served by the Veterans Job Training Act (VJTA). This admirable indicator of success has been attained despite the fact that the program has experienced a "start-stop" modality throughout most of it's authorization and funding life.

This perpetual uncertainty of program life is seen by VVA as one of the primary weaknesses of the VJTA program. As each funding cycle termination and expiration of authorization has approached, or been reached, employer/job developer relationships have slipped, veteran clients have become discouraged, employers have lost faith, and employment program managers have redirected their attention and resources elsewhere. Each time reorganization and re-appropriation has occurred the program has gone through another "start-up" phase to varying degrees, with attendant and regrettable expenditures of time and resources.

The program also currently suffers from what VVA sees at the very least as significant inadequacies in coordination between the Department of Labor (DoL) and VA in the administration of VJTA. An illustration of this problem can be seen in a series of events which occurred early this year involving the failure by the VA to formally request authority to reprogram money which had been deobligated as a result of employer/employee contracts not being completed. The VA not only failed to pursue the reprogramming of these funds through appropriate action, namely writing letters to the Department of the Treasury, but the agency failed to appropriately notify the Department of Labor in a timely fashion of the impending expiration of funding. These circumstances culminated in a major embarrassment to DoL officials when on the same day the Assistant Secretary, Mr. Shasteen, was present at the premiere of a DoL promotional film prominently featuring VJTA the word was passed

that the program would be out of money in less than three weeks.

VVA believes that the Veterans Administration has never really taken its role in providing employment services to veterans seriously enough. Although appropriate letters have now been sent to the Treasury requesting permission to re-program VJTA monies, it has been over six months since VA officials first recognized that the authority problem existed and would cause problems in funding contracts before the program expired.

The responsibility for functional administration of the VJTA has been assigned to the Department of Labor. The Veterans Administration has been charged with ensuring certification of eligible veterans and proper training sites, and lawful and proper disbursement of program funds. Unfortunately, VA has not in practice acknowledged any further responsibility or role in ensuring the success of veterans in the Veterans Job Training Act Program. VVA has seen very little evidence of any concerted effort on the part of the Veterans Administration to supply support services to veterans in training or to offer assistance to participating employers. In short, VA still has not acknowledged that they have a significant responsibility toward veterans employment as a vital element of their mandate for readjustment and rehabilitation.

RECOMMENDATIONS:

VVA fully supports passage of HR 1504 to extend the Veterans Job Training Act and commends Chairman Dowdy for his attention and commitment to addressing the employment problems of veterans, as a vital component of readjustment counseling.

Vietnam Veterans of America wishes to offer the following recommendations beyond the current provisions of the legislation before this subcommittee:

1. An extension of program authority to September 30, 1993, and of the period for veterans to apply until 9/30/91, to alleviate the confusion and administrative snafus experienced by the start-stop mode under which VJTA has operated to date. We believe that federally mandated

employment service personnel must have a reliable array of tools to work with to adequately satisfy their mission of providing employment services to veterans in need of assistance.

2. A restriction of eligibility for VJTA to disabled veterans and those who served in the South-east Asian and Korean war theatres. This is a justifiable restriction based on the data provided by BLS and other studies, and more justification will in all probability be provided when the next set of data is assembled by BLS which promised to break out Vietnam theatre and disabled veteran unemployment data once again.

   This restriction could also be expected to cut down to a significant extent on "creaming" by employment service representatives to bolster their statistics by concentrating on the easiest to place veteran clients.

3. That the Committee seek to exercise full oversight over the "DoL/VA Working Agreement" which, on the very face of it, does not appear to be working very well.

4. That the Committee seek to more clearly define the responsibility of the VA in regard to providing vital support services functions in close active coordination with the Department of Labor, especially in regard to helping ensure success of veterans participating in VJTA.

Vietnam Veterans of America would like to thank the Subcommittee on Education, Training and Employment and its Chairman, the Honorable Wayne Dowdy for the opportunity to present our views on HR 1504.

STATEMENT OF

R. J. VOGEL

CHIEF BENEFITS DIRECTOR

VETERANS ADMINISTRATION

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

MARCH 18, 1987

Mr. Chairman and members of the Subcommittee:

I am pleased to be here today to share with you the views of the Veterans Administration on a draft bill that would extend the Veterans' Job Training Act (VJTA) and authorize additional funding for this program. Specifically, the bill would extend the date before which an individual must initially apply for a program of job training to October 1, 1989. Also, under the terms of this proposal, the veteran would have to begin a program of job training before April 1, 1990. This measure would authorize additional funding of $30 million for Fiscal Year 1987 and $60 million for each of Fiscal Years 1988 and 1989, to remain available until September 30, 1991. Under the current legislation, veterans must apply by July 2, 1987, and must begin a program of job training by January 2, 1988.

In your letter of invitation, Mr. Chairman, you made reference to the congressionally-mandated study of the VJTA. This was the study conducted by Centaur Associates, Inc. In September 1986, Centaur issued its final report. Some of the highlights from the report are as follows:

* 20 percent of trainees completed their training and were still employed by the training organization 16 months following completion of the training.

* of the 20 percent still with their training organizations, about one-third have received promotions.

* only 40 percent of the trainees complete their training program

* those who participated, both completers and noncompleters, earned about $2,200 more during the year following their training than it is estimated they would have earned absent program participation

* completers trained an average of 8 1/2 months, while dropouts are in training for only 3 1/2 months on the average

* completers receive an average hourly wage of $6.60 during training

* the average cost per participant is $3,000;
  the average cost per completer is $5,000;
  the average cost per dropout is $2,000

Mr. Chairman, since the enactment of the program in August 1983, through February 1987, 47,279 veterans have been placed in training positions under the VJTA. Just about $170 million have been obligated through the same date. Also, through the same date, the number of employer applications that were approved stood at 70,839.

Mr. Chairman, we understand that the Treasury Department recently wrote you of its position that Public Law 98-543 extended the availability of those funds appropriated for the VJTA during Fiscal Year 1984 until September 30, 1987. We estimate that this determination will release to the VA some $6 to $8 million which should eliminate the current waiting list of persons eligible to commence a training program.

Has this program been successful? I believe that the evidence is mixed. Although the Centaur report shows a short-term effect on earnings and employment for those who complete

training, the dropout rate remains very high. Programs administered by the Department of Labor under the Job Training Partnership Act (Titles IIA and III) have completion rates of approximately 70 percent. A GAO survey showed that the Title III program for dislocated workers results in new employment for 69 percent of the participants, with an average starting wage of $6.93 per hour for veterans served.

Let me just note here that some of the positive features in the VJTA program have been due in part to cooperation and coordination in the Federal Government. With this program, we have been fortunate in having a solid working relationship with the Department of Labor.

Mr. Chairman, the question remains as to the current and future utility of the VJTA. There are several bills under consideration that extend and expand the provisions of the VJTA. We do not recommend that an extension be enacted. First, as discussed above, the program has had very mixed results, particularly compared to other job training programs. Second, the Administration has proposed a $1 billion job training program for dislocated workers that will certainly serve a large number of veterans. Finally, Labor Department statistics on unemployment rates show that there is no longer a need for a separate job training program for veterans.

Please note that the figures that follow are "not seasonally adjusted" figures. In February of 1987, the umemployment rate for all veterans stood at 5.5 percent and 8.4 percent for non-veterans. Looking more specifically at age categories, we find that for Vietnam era veterans in the age category 35 to 39, the unemployment rate is 5.3 percent. In the 40 to 44 year range, it stands at 4.4 percent. For nonveterans in the 35 to 39 category, the rate is 5.7 percent.

As indicated by these statistics, while there are unemployment problems among veterans, the worst problems now are not being experienced by those Korean and Vietnam era veterans whom this bill was designed to help, and has helped. In fact, the unemployment problem for the VJTA's target category has substantially diminished. Since this is the case, we do not favor an extension of the VJTA.

Mr. Chairman, that concludes my formal statement. I would be pleased to respond to any questions you or members of the Subcommittee may have.

STATEMENT OF DONALD E. SHASTEEN
ASSISTANT SECRETARY FOR
VETERANS' EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

March 18, 1987

Mr. Chairman and Members of this Subcommittee:

Thank you for this opportunity to appear today to discuss legislation to reauthorize the Emergency Veterans' Job Training Act of 1983 (P.L. 98-77) as previously extended in January 1986 and renamed the Veterans' Job Training Act.

As you are aware, Mr. Chairman, the implementation of this program was a cooperative effort of the Department of Labor and the Veterans' Administration. Since its inception in December, 1983, the program has had the highest priority among OASVET activities. It was aimed at reducing long-term unemployment among veterans of the Korean conflict and Vietnam era by reimbursing employers 50 percent of starting wages, up to a maximum of $10,000, for each veteran hired for a permanent job requiring significant training. The Veterans' Administration was responsible for certifying the eligibility of veterans for the program approval of employer training programs, and making payments to employers. The Department of Labor was given the responsibility for job development and job placement activities. The Department of Labor also accepted primary responsibility for employer outreach and promoting the program through public information. In addition, the Department through the State and Assistant State Directors for Veterans' Employment and Training Service, and the nationwide network of Disabled Veterans' Outreach Program specialists (DVOPs) and local Veterans Employment Representatives (LVERs) was to assist veterans in taking advantage of job training opportunities under VJTA. A "case manager" concept was developed for use by the DVOPs and LVERs to ensure individual responsibility for participants including regular follow-up. Part of this contact included informing the participating veterans and employers of

the availability of counseling services through the Employment Service network and the Veterans' Administration, and encouraging them to request such assistance when needed.

Mr. Chairman, according to the latest data (through February 1987) supplied to us from the Veterans Administration 47,279 veterans have entered training programs as a result of this program. The Veterans Administration also conducted an evaluation of the VJTA through Centaur Associates, Inc. The Centaur Report dated August 29, 1986 indicated that the average earnings for participants after completion of the program was $6.60 per hour. This compares to $6.93 per hour for the average wage at placement for veterans served in programs under Title III of JTPA in the last quarter of Program Year 1985. Forty percent of the participants completed the training.

Mr. Chairman, I believe that this program which was to address the problems of severe and continuing unemployment among Korean and Vietnam Veterans has accomplished the purpose for which the legislation was enacted. The month prior to the enactment of EVJTA, the unemployment rate (not seasonally adjusted) for all Vietnam veterans was 9.1% while that for non-veteran adults in the same age span was 8.4%. Today the picture has improved considerably. The most recent data (February 5, 1987) shows that while the Vietnam Veteran unemployment rate was 5.3% the unemployment rate for non-veterans in the same age group was 7.2%. We, therefore, feel that this program is no longer necessary to address the level of unemployment among veterans. Because of the improved unemployment situation among veterans and because of the new legislation proposed by the Administration that will serve unemployed veterans as well as other dislocated workers, the Administration is not requesting or recommending that this program be extended.

DENNIS P. SHARON
Staff Vice President
Washington Operations

MCDONNELL DOUGLAS CORPORATION

March 16, 1987

The Honorable Wayne Dowdy
Chairman Subcommittee on Education,
Training and Employment
Committee on Veterans' Affairs
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

As an employer committed to enhanced employment and training opportunities for our nation's veterans, McDonnell Douglas Corporation strongly supports the extension and additional funding of the Veterans' Job Training Act (VJTA) Program.

McDonnell Douglas initiated a veterans' training program in April of 1985, working closely with veterans' representatives in The Job Service System. Last year the Veterans Administration presented McDonnell Douglas with an award to recognize the corporation for employing the most veterans under VJTA--215 to date.

This program has been very successful, both for McDonnell Douglas in its efforts to recruit veterans and for our veteran trainees who have learned a skill. Furthermore, these veterans have been provided the opportunity to obtain meaningful employment with our corporation.

McDonnell Douglas is proud to be an employer participating in the training of long-term unemployed and disabled veterans who wish to re-enter the work force. On their behalf, we strongly support your efforts to extend and provide additional funding for VJTA.

Sincerely,

Dennis P. Sharon

cc: The Honorable G.V. (Sonny) Montgomery
The Honorable Christopher Smith
The Honorable Gerald Solomon
The Honorable Alan Cranston
The Honorable Frank Murkowski

1225 Jefferson Davis Highway • Suite 800 • Arlington, Virginia 22202 • 703 553-3801

Employment and Disabled Veterans

A Blueprint for Action

Prepared by

President's Committee on Employment of the Handicapped

The Committee on Disabled Veterans (CODV) is a standing committee of the President's Committee on Employment of the Handicapped (PCEH). The Committee's purpose is to create awareness and promote employment of all disabled workers, particularly disabled veterans. Member organizations of CODV include:

The American Legion
AMVETS
The American Veteran's Committee
Blinded Veterans Association
Catholic War Veterans
Disabled American Veterans
Jewish War Veterans
Military Order of the Purple Heart
National Alliance of Business
Non Commissioned Officers Association
Paralyzed Veterans of American
Past National Commanders Association
Veterans of Foreign Wars
Vietnam Veterans of America

In addition to the member organizations listed above, many federal agencies including the Veterans Administration, Defense Department, Labor Department, Health and Human Services Department, Education Department, Small Business Administration, U.S. Postal Service, ACTION, and the Office of Personnel Management provide liaisons and assistance to the committee.

BACKGROUND

During the past several years, there has been a poliferation of federal programs advanced to assist veterans and disabled veterans in gaining employment. All have been well intentioned. Some have been very successful, others have failed. CODV became concerned about the inconsistency.

At the same time, CODV became concerned about the lack of impact even the most successful programs had on reducing the unemployment rates of disabled veterans. However, the Committee's concerns begged quantification.

Notwithstanding the many years of expertise is employment programs and problems represented by the members of the committee, a void existed. Committee members did not possess the first hand knowledge of the problems shared by employment counselors, employers and veterans who use

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these federal programs. This "rubber-meets-the-road" perspective simply did not exist on the Committee.

Accordingly, CODV embarked on a program to fill this void. During the past two years members of the Committee on Disabled Veterans have traveled, at no expense to the government, to seven cities across the USA. These cities included: Baltimore, MD; Denver, CO; Nashville, TN; Augusta, ME; Portland, OR; Seattle, WA and Pittsburgh, PA. In each location, CODV members heard directly from local service providers, disabled veterans, veteran service organizations' representatives and employers about the employment problems facing disabled veterans. The format for these conversations was in the context of a "Community Forum on Employment and Disabled Veterans." The attached "Fact Sheet" explains the details of this meeting series. This report highlights or summarizes all seven meetings and offers CODV's recommendations to the issues documented.

FINDINGS

There was an astounding consistency in the comments made by individuals who appeared before the panel of CODV representatives. However, this consistency cannot be attributed to any act of the Committee. Different members of the CODV participated in each forum and the forums were chaired by three different individuals. Each of the forums were arranged by a different host/sponsor from the city in which the forums were held. Additionally, no prescribed format was used in inviting persons to appear or in seeking their comments on specific issues. No fixed series of questions were asked of any participant. Nevertheless, a consistency was obvious.

The single most repeated observation of individuals participating in the forums regarded the lack of coordination and communication among government agencies providing services to veterans. Veterans, Disabled Veteran Outreach Program Counselors (DVOPs), VA Benefit Counselors, U.S. and state employment services representatives, veterans organizations and some employers described the absence of interagency coordination. One participant in Portland noted that the lack of communication was "...the largest failure of the system... the biggest single obstacle to success." In every city, service providers admitted an inability to provide referrals to those they could not help. In some areas, trained counselors were not familiar with either the people or the programs of other agencies. None of the cities visited had a federal agency counsel to coordinate services to veterans or to exchange information on programs. None

of the cities we visited had a universal directory of service providers from the various agencies.

Another subject of frequent discussion was the inability to tailor employment programs for disabled veterans. Providers were universally disappointed in their inability to locate veterans able to meet the technical requirements of every program. For example, counselors and DVOPs spoke of having veterans available for placement who would have been excellent candidates for the Emergency Veterans Job Training Act, but for the fact that the veteran had taken an interim job and did not meet the continous unemployment requirement. Employers repeatedly complained of different compliance requirements for veterans employed under various programs. One employer explained that he would need a specialist to fill out the numerous forms for the veterans hired under EVJTA, TJTC, JTPA, and VA-OJT.

These are just two areas in which correctable deficiencies were identified. Yet they serve as an example of the problems which exist. Below, appears a summary of the reports generated by the Committee after each forum. It's a fair collection of quotes and observations made by the hundreds of people who shared information with the Committee.

The statements that follow are divided into four categories representing the people involved in the "Forums." They are:

I. Comments from Disabled Veterans

II. Comments from Veterans' Service Organizations

III. Comments from Public Agencies Serving Veterans

IV. Comments from Employers

I. Comments from Disabled Veterans

On employer attitudes...

"I'm a severely disabled veteran. When I went looking for work, the reaction of potential employers was not to see which jobs I might be able to do; rather, they would talk to me in terms of creating a special job; if they would talk to me at all. I don't want that. I don't want make work. I don't want to be ignored. We need informational efforts which inform employers about the potentials severely disabled veterans have for work."

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"When I finally got out of an Army medical hospital, I was classified a 30% disabled veteran. When I went to work, I was classified by my employer as one of those 'crazy' Vietnam Veterans; and, I was limited in what I was allowed to do on the job. So, I left that job. I still feel this attitude wherever I go. Employers are afraid of Vietnam Veterans. I know. We've got to turn their thinking around."

"When I would go for a job, somebody would say, 'Oh, Vietnam, we'll call you.' I would never hear from them again. I believe in the United States and I fought for it. But I got doors slamming in my face when I came home. When I went to welfare agencies for help, they would say I'm too healthy. I know I can work; yet, nobody wants to employ me. Where am I supposed to turn? I haven't worked for two years."

On job accommodations...

"As a deaf disabled veteran working for a federal agency I asked my employer to provide me with a teletype machine (TTY) so that I could be effective over the telephone. This and other reasonable accommodations were denied me. Others like me have had the same experience both in and out of government. They need special accommodations to be successful on the job; but, the employer won't help. Instead they'll just fire you. They're going to fire me."

On incarcerated veterans...

"I got in trouble with the law after Vietnam. I got caught and went to jail. There are a lot of Vietnam veterans both disabled and not disabled there. A lot can be done to help them, once they're out, to get ready for work. I was helped by the VA after I wrote to them from jail. More of this needs to be done."

On nonservice-connected disabled vets...

"I'm a nonservice-connected severely disabled veteran. When I sought rehabilitation services the VA helped somewhat but because I was nonservice-connected many of the resources that they

had available to them were not available to me. Next, I went to the state vocational rehabilitation agency. They were helpful but I always felt that if both the VA and the state rehab agency could have gotten together and shared resources a better rehabilitation plan could have been developed."

"I believe in cases involving nonservice-connected disabled veterans more cooperation is needed between state VR agencies and the VA."

"Also, the status of nonservice-connected disabled veterans in VA rehabilitation program needs to be examined to see if more can be done to serve these individuals within the VA system."

On VVLP...

"The Vietnam Veterans Leadership Program is the right kind of government program that seeks to develop an accurate public perception of Vietnam era veterans. It should be continued. Now that we've got VVLPs going it will take years to get the most out of them. It took years to develop the negative attitudes about disabled Vietnam era veterans. How about some more time to fight back?"

On pre-discharge briefings...

"As a disabled veteran, it was very difficult making the transition to employment. Pre-discharge briefings on the subject ought to be S.O.P. These briefings should explore the variety of programming options that are available to both disabled veterans and handicapped people."

On motivation...

"I'm a disabled veteran. I think part of our employment and training programming ought to be directed towards the disabled veteran himself or herself. We should educate them about their responsibilities for seeking work. We should warn them that there are going to be barriers; but, play it smart -- be patient. Know what is available to you to make it. And, use it!!

On economic disincentives...

"As a nonservice-connected disabled veteran, I figured out that I would loose $7,000.00 per year in compensation (including medical benefits), if I took the jobs I am being offered. I feel trapped by the system. This isn't right; but, what do vou expect me to do? I'm not sure what I'll do."

On the Veterans Administration...

"The VA must continually impress upon its employees the fact that if a veteran doesn't get a feeling of warmth and support when he or she visits a VA facility for service, they may drop out. We need to promote the idea that the VA is a service agency and needs to relate in a positive way with the veteran population it serves."

II. Comments from Veterans' Service Organizations

On employer attitudes...

"During the course of my helping disabled veterans find jobs I've met too many employers who meet a disabled veteran and expect to pay him less than the job would normally pay. Either they think he'll accept less because of his compensation, or they downgrade the job because they think the disabled vet can't really perform. Employers need to be informed about the purpose of the compensation program and the capabilities of qualified disabled veterans."

On commitment...

"During my time in this business of helping disabled veterans find work I've seen a number of programs which were originally designed to target disabled veterans with employment related services; and, by the time these programs unfold -- they become diluted. For example: DVOP -- initially a program to hire disabled veterans who would, in turn,help other disabled vets find work. Well, soon after this program came into effect, severely disabled veterans were screened-out. They didn't have a driver's license. Or, they were mobility or sensory impaired. Now, many nondisabled vets or minimally disabled vets are DVOP coordinators."

"And, now the vast majority of case work being done by DVOPs is not with disabled veterans. Similar dilutions of purpose have occurred in the HIRE program, JTPA, SBA, NAB, Selective Placement Coordinators and more. The point is, we start with programs designed to serve disabled veterans and when the issues relating to disabled veterans begin to challenge us we avoid them by watering the program down -- looking for the easy way out. This means we ignore the real needs of disabled veterans."

"I feel there's an irony in this field. I've seen hundreds of Vietnam Era veterans who served their time in the states and never had to go to the war, get educational benefits, job preference, hospitalization, etc. Don't get me wrong, they deserve these things. But we've blown it for our disabled veterans -- combat veterans who were shot or injured in a war for their country. We've let them sit home and watch TV. Some money and some good planning could do a lot to assist this veteran with employment."

On pre-separation counseling...

"I've been involved with veteran's organizations for years. The biggest problem among disabled veterans, with respect to employment, is they don't know what's available to them. They don't know about all of the VA programs or LVERs or DVOPs etc. These kids come out of the service disabled and are on their own. More effective counseling is needed prior to separation of disabled veterans. The Department of Defense should address this issue with the cooperation of the VA and the Department of Labor."

On disincentives...

"Let's not turn away from the issue of economic disincentives to work. They're there. I've talked to many severely disabled veterans who fear that by going to work they'll loose SSDI or even some of their VA benefits. Or, others who just don't believe they could go to work. We can't afford this waste."

"Information needs to be sent to severely disabled veterans both about their own abilities and potentials for returning to work and about the impact working would have on compensation programs."

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On the new "Jobs Bill"...

"The new 'Emergency Veterans Job Training Act' holds great promise. There are a lot of questions about how it will work. We only hope that the level of effort put into this promising program will be high. Too often good programs come off the drawing board and are subverted either intentionally or unintentionally (incompetence). Government must stop the uneven administration of new programs. It seems as thought if people in the agency like a particular program they'll support it. If the program is based on a law, it's the law and must be pursued vigorously. Let's support this new program in every way. And, let's root out bad management and subversion in all future public programs. Such efforts will win back the trust of the veteran population in government programs."

On the Job Service...

"Efforts need to be undertaken with both the Job Service and with all the other agencies serving disabled veterans with employment related programming to get them together again. Unfortunately, the relationship has faded. The Job Service can and should play a vital role in placing disabled veterans in employment. With the efforts of all concerned this potential can be realized. Let's work together again."

On the VA...

"Why can't the Veterans Administration send information to disabled veterans on employment? We try to do this locally; but, without a systems approach from the national office, it's hard. Employment is a crucial issue with both disabled vets and other veterans. The VA needs to get more intensely involved in the area."

"Our service to disabled veterans has found that many more disabled veterans with prosthesis could and would seek out employment if their prosthesis worked better. More attention needs to be paid to this area."

On "Vet Centers"...

"This program reaches the many Vietnam combat veterans who might not otherwise seek out support or services from the 'establishment.' They've grown distrustful of government. Our experience has demonstrated that over 90% of the walk-ins to the

Vet Centers have been in need of employment related services. We're beginning to realize the necessity of meeting this need through the support and cooperation of the Department of Labor. We need to be doing more in this area."

III. Comments from Public Agencies Serving Veterans

On employer attitudes...

"We work and talk with employers everyday, asking them to hire disabled veterans and other veterans, particularly Vietnam era veterans. They tell us candidly that from what they've seen in the media about these veterans, they're afraid to hire them. If only the media would stop fictionalizing them or projecting the problems of a few on the many, we'd be in better shape. Public attitudes and, in turn, employer attitudes are negative about Vietnam veterans in far too many instances. We need to pay attention to this issue and address it head on. Also, with respect to disabled veterans, the same generalization made about handicapped people and what they cannot do are made about disabled veterans. People and employers are generally of the opinion that if you're handicapped, then you are incapable of work. Not true. And, they need to be told this."

On interagency coordination...

"Probably the single biggest obstacle facing the area of employment and disabled veterans is the need for a more coordinated approach to meeting their needs. Linkages need to be developed at all levels of administration, especially at the local level. Meetings such as this 'Community Forum' are an effective way to begin this needed dialogue. We encourage their continuation and expansion."

On motivation...

"Time is of the essence. When I work with disabled veterans, if I can't get them a job or into a training program within one year after their rehabilitation is completed, chances are they will begin to loose their work ethic and become less ambitious. We need to understand more about the correlation between time and their returning to work. And, our counselors and medical personnel need to be trained how to respond more effectively to this issue. We can learn a great deal from the private insurance company's rehabilitation

programs. They recognize the importance of speedy rehabilitation services to newly injured workers."

On the below 30% disabled vet...

"I'm a DVOP coordinator and a disabled veteran. In my work I meet many disabled veterans who are rated at 10% and 20%; but have other disavantages beyond their disability. They paid their dues. And, they need employment help. Unfortunately, VA vocational rehabilitation isn't able to do much for them. Also, after Vietnam many of these disabled veterans were leary of the bureaucracy. They let the years pass by without taking advantage of the G.I. Bill. The delimiting date is stupid."

On mandatory job listings...

"I work as a DVOP coordinator. As the system is set-up now, I can't get the information I need about job vacancies or new programs. The mandatory job listings program is a joke. We learn who gets federal contracts and we call them up. They hang up on us. There's no teeth in the program. The only way I can find out about available jobs is through my informal contacts. But, that's not enough."

On budget cutting...

"The impact of budget cutting from the federal level is uneven among the states. It must be realized that if you cut "X" percentage from a program, it will be more intensely felt in the smaller states. Any more budget cuts will paralyze our programs."

On readjustment counseling and employment...

"I meet a lot of disabled veterans who are out-of-work and who are in great need of readjustment counseling. This remains a tremendous problem. But, we can't get started on these kinds of problems until we get the work situation settled. So much hinges on employment."

On outstationing DVOP Coordinators...

"I'm a DVOP coordinator. I'm outstationed at the VA hospital. They have me integrated into their program. I go to their staff meetings. I have access to all the records and services. Here's where

I meet disabled veterans and serve them. Here, I'm able to get to them early and at a more realistic pace. In the employment security office I would see 40 to 50 clients a day. That's too many to serve any of them adequately."

"Readjustment problems need continued attention. Those serving the employment needs of disabled veterans (DVOP coordinators, LVERs, etc.) need to be aware of this issue and able to coordinate services to meet this need. Conversly, Vet Center personnel need to be briefed and prepared to access employment related services to those veterans who require readjustment counseling and are out-of-work."

On the VA...

"The VA On-The-Job training program (OJT) is good. Unfortunately, it often takes 8 or 9 months to get the paper work approved. The vets I work with can't wait that long. They need food on the table. Recognition must be given to the existing economic circumstances of the disabled veteran applying for an OJT program. In cases where economic hardship exists, a speedy review should be required."

IV. Comments from Employers

On employer attitudes...

"The two major reasons employers cite for not hiring disabled veterans are: 1.) the problems of accessibility and job accommodation and; 2.) insurance cost will be higher if they do hire disabled veterans. Informational efforts are needed to inform employers that both of these issues are easily resolved."

"Through my experience, I've learned that it costs very little to make reasonable accommodations for disabled veterans in the work place. But, I know other employers fear this topic. They need some sort of incentive in order to motivate them to take up the challenge."

Advice from employers...

"I get a lot of applications from disabled veterans and other veterans with information about their militaty service which is unuseable. Tell these people to be sure to attach an

explanatory note translating what they did in the military into a comparable civilian skill. For example, I don't know what an E-5 specialist is or what skills that required. An effort should be undertaken by the Department of Defense, Department of Labor, the VA and veteran service organizations to inform departing servicemen/women of the civilian comparability of their military skills."

"The best way for disabled veterans to appeal to an employer for a job is to concentrate on two or three area employers and get to know them. Be persistent but not obnoxious. Keep coming back and visiting them, until a job opens up. Eventually, they'll see that you're serious and determined. Also, this approach will give the employer the opportunity and the time to get to know you and become comfortable with the disability."

"We can learn much about effective job search tactics from employers. We should involve them both in helping us design our training programs and our counseling programs."

"I used the HIRE II program and it worked well. Employers liked it. These are the types of programs that get the job done. The effective qualities of HIRE II need to be designed to promote the employment of disabled veterans among the employer community."

"This country and our economy are undergoing profound changes. A high technology revolution is underway. I can see how this development can offer new hope and promise to disabled veterans who can do more in the sedentary jobs created by this revolution. Let's not lose the advantage. Get them trained in these fields. Vocational rehabilitation and other training programs for disabled veterans must look aggressively at developing training programs in the high tech areas."

RECOMMENDATIONS

In the opinion of the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped the recommendations that follow come naturally as conclusions to the issues documented in the "Findings" section of this report. Certainly, there are other constructive ways to respond to these issues. It is not the intention of the

CODV to limit discussion to these specific recommendations. Rather, we offer these ideas in the spirit of beginning the debate.

A. PROGRAM DESIGN

As highlighted earlier in this report, many disabled veterans are denied employment assistance service because they fail to meet the specific participation requirements of the several employment programs currently available. Concurrently, many private sector employers do not participate in these special employment programs because of burdensome employer criteria or reporting requirements. Finally, because of the number of programs available, and the varying criteria for participation, an inordinate amount of time is required to accomplish training and placements of veterans.

Almost universally, veterans, counselors and employers asked that the number of programs be reduced; that the reporting requirements be standardized; and, most importantly, that placement counselors be given the latitude to "tailor" or adjust participation requirements to meet veterans and employers needs.

The CODV recommends the consolidation or redesign of all special employment programs available to veterans. As envisioned by the Committee this consolidation would allow LVERs, SVERs, DVOPs and other appropriate employment service representatives to negotiate and authorize training and placement programs based on the needs of individual veterans and employers within parameters set by law. Under this consolidation basic criteria for participation of veterans based on character of service, dates of service, education requirements (allowing vocational training for all veterans who cannot reasonably be expected to gain and hold employment without such training),etc., should be addressed. Employers should be given the latitude to choose between tax credits, salary offsets, OJT hires, etc., to meet their needs. At the same time, veterans eligible for VA education or training benefits might be required to forfeit some reasonable portion of such entitlements in an effort to offset program costs.

A first step was taken by Congress last year when it provided that vocational training could be given to pension recipients in an effort to reduce the pension rolls. Implementation of a consolidated training approach would simply be an extension of this concept. In the long run, it will be less expensive to train veterans for jobs and self sufficiency than to continue to support them with pensions, unemployment compensation, and welfare.

With or without a consolidated program, the need remains to increase staffing, standardized training and provide better controls over the use of veteran placement service personnel. Too often, DVOPs and LVERs are used for purposes other than those intended. Many, because of their workload, do not have the time to acquaint themselves with more than a few of the programs available for their use. In other cases, job services do not provide enough training to make these people effective. Increased staffing, standardized training for job service employees and better control over veteran employment specialists should be pursued immediately.

B. INTERAGENCY COOPERATION

Another major issue concerned the lack of coordination between service providers. In city after city, veterans and counselors alike complained about not knowing who to talk to next.

The CODV recommends as a beginning step, the formation of a "Federal Veterans Coordinating Committee." This entity ought to be placed in the White House administrative structure so that it could offer the type leadership necessary to command interagency cooperation.

It's important to note, however, that many of the issues facing interagency cooperation can only be solved through locally directed efforts. Hence, while a "Federal Veterans Coordinating Committee" could provide much needed leadership to this effort, it would have to rely on fostering state and local actions.

Probably the simplest and most obvious locally directed action which would help this situation and which could be encouraged by a "Federal Veterans Coordinating Committee" is the development of state and local directories. Certainly, it is not beyond the capability of government to create a system of consolidated listings by city or state of veterans service providers. In our opinion, the most logical way to do this is to design a standardized directory format, appoint one department as executive agent to collect the information, and then send a copy to everyone whose name or position appears in the directory.

If possible, include major employers and employment offices and others who have special outreach programs. Be certain to list veterans' organizations representatives. Synopsize the services available from particular agencies and distribute widely.

In addition, our Forums indicated that one of the largest failings of the employment and benefit system is the lack of competent referral. This situation would be sub-

stantially improved if a provider directory is published. However, even with such a directory, it would be optimistic to assume providers would have more than a passing acquaintence with the programs and functions of other agencies.

Lack of competent referral may be overcomed by the standardization of training. A manual and class, given to all who provide veterans services, would facilitate referrals and understanding of programs available from other agencies of government, civilian agencies and, in some cases, other divisions of the employees' agency.

Many referral problems could also be alleviated by better predischarge briefings from the military services. Here again, a catalog or manual summarizing benefits available to veterans would be advantageous. If DOD were to reprint and distribute, particularly disabled veterans, the same standard manual used for training and acquainting service providers with agency programs, it would be an excellent source document for use in organizing discharge briefings. At the same time, it would make an excellent reference document for service counselors.

C. REASONABLE ACCOMMODATION

Reasonable accommodation is a scary concept to those who lack experience in dealing with handicapped people. As a result it is one of the largest impediments to disabled veteran employment. Yet, reasonable accommodations to the employment of disabled individuals may be as simple as rearranging furniture in a work area. In 50% of all employment cases, based on figures available to the committee, reasonable accommodation can be made without employer cost or at a cost of less than $50.00. In the next 30%, accommodation may be made for less than $500.00. In the top 20% of cases reasonable accommodation can be more expensive. There are several possible ways to deal with this issue.

The CODV makes the following recommendations with regard to reasonable accommodation.

First, private sector employers willing to make reasonable accommodation might be allowed a tax credit for the cost of such accommodations, particularly those requiring the acquisition of special aids or appliances.

Second, disabled veterans, whose service connected disability requires reasonable accommodation, should be given an allowance to enhance their employability. Such allowances should be made along the same line and with the same reasoning as used to justify housing, automobile,

and clothing grants and allowances.

Third, where necessary, special allowances should be created for TTY equipment for hearing impaired veterans and readers for blinded veterans. Such equipment and services should be provided just as prosthesis are provided to amputees.

While these recommendations appear to involve added expense, revenues would be raised from increased income taxes, not to mention SSDI and veterans pension savings.

D. ECONOMIC DISINCENTIVES TO WORK

One issue which has concerned CODV has been whether certain forms of compensation have served as a disincentive to veterans seeking employment. The issue was not ignored by forum participants. The consensus is that Service Connected Veterans Disability Compensation has little impact on a veteran's decision to seek employment. Most likely because the amount of compensation the veteran will receive is not contingent on other income. However, in many cases, veterans will not seek work, or will decline acceptable work, because of the impact it will have on veterans pension or SSDI benefits. For some substantially or severely disabled veterans work is not a feasible alternative to receiving other forms of public support since the income levels of public support cannot be achieved. THIS IS NOT AN ARGUMENT TO CUT PUBLIC SUPPORT. However, some reasonable modification may be desirable.

Most veterans would gladly accept employment if maintenance income is protected. One does not have to be an economist to understand that veterans receiving $10,000.00 per year in public income will lose money if they accept a job at $10,000.00 per year. The tax burden of employment will exact a sizeable toll. Additionally, the work related costs of commuting, clothing, meals and in many cases, employment accommodations provided by the veteran, will substantially impact on real income. Veterans pensions provide some degree of protection. Recent changes in the pension program will greatly expand opportunities for veterans to free themselves from the pension rolls. Still, economic disincentives remain.

The CODV fully recognizes and emphasizes the fact that any proposed changes to the current system could cause great hardship if not carefully researched and crafted. It is in this spirit that the CODV recommends the undertaking of a Congressional mandated study to determine the best ways to economically entice unemployed disabled veterans to return to work.

The following points should be considered during the course of such a study or series of studies.

First, protected income minimums might be studied. These would allow SSDI and pension benefits to continue in amounts necessary to guarantee minimum incomes.

Second, in order to preserve income levels for those who accept employment, study needs to be given to exempting work related income from federal income tax payments for the first five years of employment, in the amount equal to the public support being received.

Third, a less desirable alternative might be to allow certain disabled veterans to deduct, as a business expense, amounts paid for services or products related to their disability. This might include purchased accommodations, clothing, commuting costs, parking, etc.

Fourth, study needs to be given to the establishment of an arrangement whereby disabled veterans locating gainful employment and extracting themselves from SSDI or the pension roles could continue to receive their government sponsored medical benefits at a minimum cost. The medical coverage is often the most cherished benefit; and, a major reason for not seeking full-time employment.

Fifth, a feasibility study ought to be done on the potential value of a severance pay system to those disabled veterans who leave the SSDI or pension roles for gainful employment. For example, disabled veterans receiving SSDI or pensions for more than one year could qualify for a severance pay bonus equal to one year's worth of these benefits - if they accept employment. Such persons might be afforded a six month trial work period before the consumation of the arrangement; but, would be disqualified from returning to the roles for a period of three or more years.

Please note. These are merely possibilities that emerged as a result of our "Community Forum" series. They are, in our opinion, suggested actions worthy of study. Our recommendation is, once again, that a Congressionally mandated study on the subject of economic disincentives to work be considered.

E. ATTITUDES

Another common thread that existed in all the forums conducted by CODV concerned the imagery associated with veterans, particularly Vietnam veterans.

It would be impossible to legislate away the misconceptions, stereotyped images, and outright fear some people have of veterans. It is not at all uncommon to still find pockets of employers who cast veterans as crazed killers, potential psychopaths, and war-broken junkies. Only time, understanding, and a little better treatment by the media will change these misconceptions.

Nevertheless, many employers and disabled veterans suggested one change in law or policy that would help to change the image. Surprisingly it concerns a return to a more clearly defined discharge system.

Many veterans claimed past efforts to minimize the impact of undesirable and bad conduct discharges have worked to the disadvantage of honorably discharged veterans. Many of the employers we heard from reaffirmed this belief by acknowledging that discharges mean little anymore in hiring decisions because information necessary to assess reliability and honest is missing. In fact, some employers even went so far as to admit a reluctance to hire veterans because they could not establish the true character of service.

It is indeed an insult to present a copy of an honorable discharge to a prospective employer only to be questioned about its veracity.

The CODV is as interested in helping the bad-paper veteran as those who were honorably discharged. However, we see no reason to jeopardize employment opportunities for one group to protect another. Accordingly, we urge a review of the discharge system with the specific objective of reinstituting a sense of integrity and stature to the honorable discharge. One action that should be immediately instituted is the inclusion of an honorable discharge statement on the veteran's DD-214. If the discharge is other than honorable, this section of the form could be left blank in order to preserve the privacy of the individual.

F. FEDERAL GOVERNMENT AS AN EMPLOYER

Without exception, in each city the committee visited, a veteran or counselor outlined a "horror story" in which the federal government played the villain. Sometimes it involved agencies that were unwilling to make reasonable accommodations, other times it was agencies that simply refused to consider veterans.

We, therefore, recommend that OPM assume a leadership role in sponsoring training seminars on the employment of disabled veterans in the federal service for each inde-

pendent hiring authority. Both the Veterans Administration and the Department of Labor should actively support this effort. Major subjects that ought to be covered during these training programs for both hiring personnel and selective placement coordinators are: the federal government's commitment to the employment of disabled veterans; recruitment sources; hiring authorities and resources; reasonable accommodation; and more.

CONCLUSION

During our travels to seven cities, from one end of the country to the other, we were genuinely impressed to meet so many very dedicated people. Professionals and volunteers working long and hard to help disabled veterans prepare for employment. They're smart people. They're articulate. They know what it takes to get the job done. They are the ones whose voice you are hearing in this report.

In a few words, these people told us they need:

1.) program flexibility -- perhaps through consolidation, so that they could customize programs to better suit the individual needs of both disabled veterans and employers;

2.) coordination -- stronger efforts at interagency cooperation and communication at all levels of administration;

3.) accommodation -- better understanding and support for this critical placement tool;

4.) economic incentives to work -- study of ways to lure people back to work;

5.) attitudes -- a strong discharge system that employers can trust; and,

6.) commitment -- from the federal government, as an employer, to the "hiring of disabled veterans."

If we are smart, we'll listen.

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EPILOGUE

It was never the intention of the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped to collect the information contained in this report and then merely pass it on to others for action. One of the CODV's major objectives with the "Forum" series was to identify areas of concern that it could respond to. There were several.

One concern that was called to our attention by local placement personnel was the need for a widely available award or recognition program for employers who hired disabled veterans. We've responded. Currently, any local DVOP coordinator, LVER, VA counselor, or veteran service organization representative can request the issuance of a recognition citation in the name of an employer in their area. So far, several hundred awards have been issued.

Another often heard request coming from local service providers, veteran service organization representatives and disabled veterans was a call for a single brochure outlining the various major federal employment programs available to disabled veterans, both service connected and nonservice connected. We've published such a piece and are distributing it to the field.

In addition, the CODV is currently exploring the possibly of it spearheading a public relations campaign directed towards employers telling them about the employment potential of disabled veterans. This activity would also be in response to concerns expressed to us during the local meetings.

We expect even more CODV actions to result from the findings of "Community Forum" series. In short, we will do our part. In turn, we ask all else who can respond to these issues highlighted in this report to do their part. Together, we can provide the kind of national leadership that establishes a better climate for serving the employment interest of our nation's disabled veterans.

SAMPLE SAMPLE SAMPLE

THE PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED

Washington, DC 20210

"The Pittsburgh Area Public Forum on
Employment and Disabled Veterans"

FACT SHEET

WHO & WHAT: We are the Subcommittee on Disabled Veterans of the President's Committee on Employment of the Handicapped. We are a federal agency actively promoting the employment of disabled veterans. As a way of learning more about the current situation in employment for disabled veterans, we are coming to your city to hear from you. Please plan now to attend our "Public Forum on Employment and Disabled Veterans." Formal testimony isn't necessary.

WHERE: South Meeting Room #2, Convention Center, Penn & 10th Streets, Pittsburgh, PA.

WHEN: 1:30 p.m., Monday, March 25, 1985

WHY: National policy and programs must respond to local needs. In order to help better document the needs of local areas, we are visiting cities across the country and asking local disabled veterans, local veterans' posts and chapters, professionals and employers to meet with us and to tell us how their area is faring with respect to these issues:

A.) What are the employment experiences of disabled veterans? Are they getting jobs? Are they unemployed? Is employment a serious problem among them? Tell us.

B.) How effective are the support systems designed to help prepare and place the disabled veteran in employment? How can they be strengthened? How can they be better utilized? Tell us.

C.) Are government affirmative action programs for disabled veterans and handicapped people useful? Are they effective? Can they be improved? How can they be improved? Tell us.

D.) Are there any disincentives to work for disabled veterans? Is this a real problem or not? Tell us.

E.) What would you suggest be done in order to better assist disabled veterans get ready for and find work? Tell us.

The information you help us collect will be used in two ways. First, the basic thoughts will be published and directed to those most concerned with the problems and issues documented. These include: Congress, Federal Agency heads, national veterans' organizations and the employer community. And, second, our agency, the President's Committee on Employment of the Handicapped, more specifically, its Subcommittee on Disabled Veterans, will use your recommendations to formulate its future programs in this area.

One last word about the President's Committee on Employment of the Handicapped and this "Forum." We are not an enforcer. We are not an auditor. We are volunteers interested in documenting the truth and your good judgment for the benefit of disabled veterans and the country they served. This "Forum" is not a gripe session. It is not a formal hearing. It is a chance to collect information and ideas and to develop a wisdom about national concerns. Please come and help us do that. Come and tell us what you know about the employment situation facing disabled veterans.

717-779-6321
779-6322

Joseph P. Bokar
Design and Printing Consultants, Inc.

MAIL: 2475 S. MAIN ST. P.O. BOX 509 WILKES-BARRE, PA. 18703-0509
OFFICE: LANCE VILLAGE 580 EAST MAIN ST. PLYMOUTH, PA. 18651

March 18, 1987

Honorable Wayne Dobby,

Recently I recieved a phone call in reference to the Veterans Job Training Program. I have a salesman, Mr. Harry Nachlis, employed with my company under this job training program.

My experience with the Job Training Program has been very successful. I feel the program is beneficial to both the Veteran and the employer.

Mr. Nachlis has learned many aspects of sales and how to follow through with his clients. He has brought in new clients and works well with them. In general, I would say Mr. Nachlis is an asset to our company. I would hire another Veteran using this program.

I Remain,

Joseph P Bokar

Joseph P. Bokar
Joseph P. Bokar Design
and Printing Cons.,Inc.

JPB/tw

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

APR 27 1987

APR 2 3 1987

The Honorable Wayne Dowdy
Chairman
Subcommittee on Education,
Training and Employment
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for the opportunity to testify before your Subcommittee hearing on March 18, 1987. Enclosed please find the responses to the questions in your letter of March 20, 1987.

I look forward to testifying before you again on behalf of the veterans of this nation. Please contact me if I can be of further assistance.

With best personal regards, I am

Sincerely,

Donald E. Shasteen

DONALD E. SHASTEEN

Enclosures

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

CHAIRMAN DOWDY TO U.S. DEPARTMENT OF LABOR

Q.1. We all continue to be concerned about the percentage of veterans who do not complete their training programs. A provision of Public Law 99-238 directed the Secretary of Labor to establish a case manager system so as to provide support services to participating veterans. You said in your statement that this has been implemented.

Would you describe the system in detail? Is contact made at least monthly with each veteran? Is assistance also offered to employers in the program? Are Disabled Veterans' Outreach Program Specialist (DVOP) adequately trained to do effective job counseling? What role do Local Veterans' Employment Representatives (LVERs) play?

A.1. In Veterans Program Letter 6-86 dated March 5, 1986, (copy enclosed) to all Regional and State Directors for Veterans' Employment and Training Service and all State Employment Security Agency (SESA) Administrators, instructions were given to implement the Case Management System. Each SESA Administrator was to assign the number of DVOP specialists and/or LVERs staff necessary to establish contact with all new veterans participating in a Veterans' Job Training Act (VJTA) program. These contact persons assumed the role of Case Managers as described in Veterans' Program Letter 1-86. The Veterans Administration provided a listing of new veterans/employers that participated in an approved program and the SESA established the necessary procedures to ensure that all new participants on the list were assigned to a Case Manager.

The Case Manager is responsible for giving guidance, assistance and maintaining monthly contact with the veteran for the duration of the veteran's training program. The Case Managers also are to ensure that both the veteran and the employer are informed of the counseling and other assistance available through the Job Service, the Veterans Administration and community agencies. The Case Manager is directed to encourage both the veteran and the employer to request such service and assistance as problems surface. It is the Case Manager's responsibility to follow through on such requests, making sure that the necessary referrals and follow-up contacts are made and the requested assistance received.

In January 1987 a National Veterans Training Institute was founded through a grant to the University of Colorado at Denver to assist DVOP Specialists and LVERs in understanding the case management concept. This one week course is intended to upgrade the case management skills of attendees and although not specifically designed as a counseling course, provides training in understanding and assisting veterans who are suffering from emotional and job-related traumas including post traumatic stress disorder. Further, specialized counseling courses are currently being planned and will be incorporated into the training curriculum of the Institute next fiscal year.

Q.2. A witness from Mississippi testified that, in that State, they had job slots unfilled because they could not locate qualified veterans. What centralization is there of the job order system that allows contact between offices regarding available jobs? It is outrageous to have jobs unfilled when there are undoubtedly qualified veterans elsewhere who would very much like to have those jobs.

A.2. Most States, including the State of Mississippi, have a central job bank that operates throughout the State. Jobs that are not filled locally are listed with and made available to other offices throughout the State within a 48 hour period.

Nationally a State can list and receive job openings with the National Job Bank in Albany, New York. Mississippi does participate in the National Job Bank and sends job openings on a regular basis to Albany via magnetic tape. As of April 2, 1987, Mississippi had 128 orders on file with the National Job Bank. When listings are received in Albany other States are notified via microfische of these openings. Ultimately, it is the decision of the applicant if they wish to change locale and take advantage of employment opportunities that are available.

Q.3. You pointed out in your testimony that the average wage paid under Title III of Job Training Partnership Act (JTPA) is somewhat higher than that paid under VJTA? How do you explain this? How can VJTA be strengthened to increase the average wage?

A.3. Unlike VJTA, Title III of the JTPA has a strong support service system designed into it which assists participants in overcoming employability barriers. These services include but are not limited to assessment, testing, job seeking skills training, job development services, and classroom training. All of these factors contribute to higher wages paid by employers. The VJTA could be strengthened by funding job developers who would seek out and identify higher paying jobs.

Q.4. How were Department of Labor field staff personnel informed about the shut down of the program due to lack of funds? It is my understanding that some field staff did not get the word on a timely basis?

A.4. There was no delay in reporting to the field staff the phasedown of VJTA due to the limitation of funds. The Office of the Assistant Secretary for Veterans' Employment and Training staff were notified by the Veterans Administration of the expiration of available funds on December 11, 1986. On that date, Regional Directors for Veterans' Employment and Training Service were in Washington and were informed of the situation. This action was followed in writing by a Director's Memorandum Number 3-87 to all Regional Directors and State Directors dated December 18, 1986, advising them of the phase-down and limited availability of funds. A further follow-up was accomplished by Veterans' Program Letter Number 3-87 to all Regional Directors, State Directors and State Employment Security Agencies dated January 21, 1987.

Q.5. Please respond to the statement by the Veterans of Foreign Wars that: "OMB (Office of Management and Budget) restricts VETS (Veterans Employment Training Service) from developing a monitoring/reporting system".

What kind of monitoring/reporting system, if any, does the Department of Labor currently have for the VJTA Program?

A.5. The OASVET was not restricted from developing a monitoring/reporting system for VJTA. This office receives on a weekly basis a report from each State Director for Veterans' Employment and Training Service (SDVETS) indicating weekly placements. To obtain this or other information through the Employment Service Reporting System (ESRS), a prior clearance would need to be obtained from the Office of Management and Budget (OMB). Due to the temporary status of VJTA and the ability to obtain placement information through SDVETS the OMB clearance procedure was not initiated.

Office of the
Administrator
of Veterans Affairs

Washington DC 20420

Veterans
Administration

MAY 06 1987

MAY 5 1987

Honorable Wayne Dowdy
Chairman
Subcommittee on Education,
Training and Employment
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is in reply to your correspondence to the Chief Benefits Director concerning the March 18, 1987 hearing on the Veterans' Job Training Act.

Enclosed are the questions along with our answers in the format you requested. A similar reply has been sent to Ranking Minority Member Christopher H. Smith.

We are pleased to be able to assist you.

Sincerely,

THOMAS K. TURNAGE
Administrator

Enclosure

CHAIRMAN DOWDY TO VETERANS' ADMINISTRATION

Q. 1. In his testimony, Mr. Dyson, Executive Director, Mississippi Employment Security Commission, indicated that money is being obligated when an employer is certified. Why is this happening? I understood the obligation of funds did not occur until a veteran/employer match was actually made.

A. 1. Mr. Morgan, who works with Mr. Dyson, spoke after Mr. Dyson. At Mr. Dyson's request, Mr. Morgan responded to questions at the hearing, and clarified this issue. Mr. Morgan said that funds are not actually obligated at the point when an employer is approved, but, as you indicated, Mr. Chairman, when the match is actually made. This is consistent with VA policy and procedures.

Q. 2. Other witnesses at our hearing suggested that the drop-out rate in VJTA could be significantly reduced if supportive services for veterans and employers were improved. What efforts does the VA make to provide pre-employment counseling to participating veterans? Are employers given names of individuals they can contact if problems come up? Are any special efforts made to provide services to disabled veterans who participate in VJTA?

A. 2. The VA provides a wide range of pre-employment counseling services to veterans eligible for assistance under VJTA. We have tried to make procedures for securing these services as simple as possible. The veteran may secure these services by requesting counseling on the same form he or she fills out to request assistance under VJTA. A counseling appointment is arranged following the determination of eligibility. The services which are furnished at this pre-employment point include comprehensive evaluation and assessment to identify suitable job fields for training or retraining. On the basis of the information developed, the counselor may, in addition to recommending certain occupations as sound areas for training, also identify the supportive services such as medical care or counseling which may be needed, whatever the veteran's training objective may be.

Public Law 99-238, Veterans' Compensation Rate Increase and Job Training Amendments of 1985 contains amendments designed to strengthen assistance provided to veterans during their training. These amendments include periodic contact by Department of Labor with veterans participating in a job training program, and provision of a program of counseling by DOL to resolve problems which the veteran could encounter during training under VJTA. In carrying out these provisions, DOL advises all veterans and employers of the availability of these services. These contacts are made by DOL staff, designated as case managers. The employer may contact the case manager if problems arise. If contacted by the employer, the case manager then takes appropriate action to resolve the problem or to arrange for additional services which may be needed.

VA makes special efforts to assist service-disabled veterans who request assistance under VJTA. Since these veterans are also potentially eligible for assistance under the vocational rehabilitation program, the counseling psychologist is required to develop the veteran's case to determine eligibility and entitlement to services and benefits under this program, and to develop a possible rehabilitation program which the veteran

could pursue. The veteran is then in a better position to evaluate the type of assistance for which he or she is eligible and make an informed decision.

The VA has undertaken outreach efforts to inform service-disabled veterans who have requested assistance under VJTA but have not entered training under that program. We currently are in the process of sending a personalized letter from the Chief Benefits Director to nearly 50,000 service-disabled veterans certified eligible for Veterans' Job Training benefits as of January, 1987. The letter informs each veteran that he or she may be eligible for vocational rehabilitation services--including employment services--and encourages the veteran to contact the nearest VA regional office to determine what assistance the VA may provide in his or her job search.